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ABSTRACT

This information analysis concerns human resource development (HRD), defined as consisting of programs and activities that positively affect the development of the individual and the productivity and profit of the organization. Several key human resource development components are identified and discussed: (1) training and development; (2) organizational development; (3) employee assistance programs; (4) career development; and (5) performance appraisal. Traditional human resource functions are described, including consultation, human resource planning, compensation, employee relations, recruitment, and employee outplacement. A classification system is outlined to aid in understanding programs and activities which can be conducted within the HRD component. The revolution, growth, and professionalization of HRD is considered, and HRD's placement within an organization is described. Several external factors that the HRD professional must accept are identified, including changing work values, government regulations, customer expectations, changing technology, competition, economic conditions, unions, corporate image, and the labor market. Organizational climate is discussed and factors that contribute to the organizational climate are identified. Assessment of the organizational climate is explained, and the relationship between organizational climate and HRD is explored. (NB)

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HUMAN RESOURCE DEVELOPMENT: AN OVERVIEW

Robert L. Smith

U.S. DEPARTMENT OF EDUCATION
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HUMAN RESOURCE DEVELOPMENT: AN OVERVIEW

by

Robert L. Smith

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PREFACE

In recent years ERIC/CAPS has observed and contributed to the fast-growing literature on human resource development (HRD). As a professional field closely allied to counseling, HRD draws upon both counseling concepts and practices. Thus, HRD specialists as well as counselors have looked to ERIC/CAPS as a source of information and resources. Our response has been to process numerous documents in this area and to prepare a number of publications; for example, *Career Development in Organizations, Outplacement Counseling,* and brief annotations on employee assistance programs.

One of our best received efforts has been the monograph, *Counseling and Human Resource Development*, by Robert L. Smith and Garry R. Walz. This monograph focused on how counselors in educational settings could transfer their skills to HRD specialties. Reportedly, the monograph has been used in numerous seminars and workshops with counselors who were either contemplating an occupational move to HRD or had already done so. To our satisfaction it also has earned plaudits from professional HRD specialists who appreciated the "fresh counseling orientation" it brought to the subject.

The favorable response to *Counseling and Human Resource Development* has led us to begin a new volume that retains the counseling orientation and provides a broader, more comprehensive analysis of HRD. In addition to this publication, we plan a series of monographs focused on specific issues, programs, and practices. Readers will be able to obtain individual volumes or the series as a whole.

In this first volume of the series, Bob Smith has produced a highly readable overview of HRD. He has traced the development of HRD, delineating its major roles and contributions and probing the environment in which it functions. He has given us a compelling look at the organizational climate of HRD, and experienced HRD specialists will appreciate the new perspective. Those new to the field will be attracted to the wide discussion and attractive use of tables.

All in all, we are confident this publication will both stand on its own and stimulate your interest in the entire series.

Garry R. Walz

CHAPTER ONE

INTRODUCTION TO HRD

Almost a decade ago the *Wall Street Journal* reported personnel/human resource development and management to be one of the nation's 10 fastest growing professions (Klinger, 1979). More recently the U.S. Department of Labor estimated that human resource management positions would grow 168 percent faster than other professional fields between 1980-1985 (Hoyt & Lewis, 1980). From 1984 to 1995, the *Occupational Outlook Quarterly* estimated that 34,000 new employees will be added in HRD positions as more firms implement HRD programs (Nadler, 1979). Because of this rapid growth, confusion has surfaced about what human resource development is and exactly what activities are considered to be HRD in nature. HRD functions are performed by an enormously wide range of employees with varied corporate titles and responsibilities. HRD is thus an evolving and pervasive concept impacting all aspects of the corporation.

Human Resource Development Defined

Human resource development is an evolving field which emphasizes employee training, education and development. HRD training includes those activities which serve to improve employee performance for a currently held job (Nadler, 1979). Education is comprised of activities which are designed to improve an employee's overall completeness in a specified direction and beyond the current job (Nadler, 1979). Finally, employee development strives to prepare individuals so they can move with the organization as it changes and grows (Mondy & Noe, 1981). HRD has evolved from several different disciplines with varied ideas, goals, and even philosophical beliefs. Because of this, professionals and practitioners have either brought or developed their own definition of HRD, depending upon their background and training. The definition provided by Leonard Nadler has helped clarify this concept: "Learning experiences which are organized for a specific time and designed to bring about the possibility of behavioral change" (Nadler, 1980, p. 3). This author views HRD (similar to what Nadler expresses) as consisting of programs and activities, direct and indirect, instructional and/or individual, that positively affect the development of the individual and the productivity and profit of the organization. Under this definition, HRD programs and activities can be classified and identified.

Human resource development in business, education and government became extremely popular in the 1970s and its growth continued in the 1980s. It is a dynamic field which interfaces with virtually every facet of an organization. As illustrated in Figure 1.1, a wide range of activities may fall under the HRD umbrella. Because of this diversity, HRD components are managed, placed and supported differently from corporation to corporation. How they operate, and their base of operation, will often be determined by the size, history and purpose of the company.

Key Human Resource Development Components

Training and development, organizational development, employee assistance, career development, and performance appraisal are considered to be key HRD areas (see Figure 1.1). Each of these key areas will be discussed, followed by a brief examination of traditional activities.

Training and Development

Training and Development (T&D) is a process designed to maintain and improve effectiveness and efficiency of individuals and groups in the organization (Mondy & Noe, 1981). This includes both technical and human proficiency. Titles such as Training and Development Specialist, Director of T&D, T&D Manager, and T&D Administrator have evolved within the organizational structure of large and small corporations. Individuals employed in these positions must have both skill and interest in developing human resources. T&D programs designed to update employees' technical and interpersonal skills are essential if corporations are to expand. A large number of firms have drastically increased the scope of their T&D programs due to competition, technological changes, governmental regulations, and employee needs. The banking industry provides such an example. Bank personnel are constantly up-dating skills utilizing new computerized technology. At the same time, T&D programs are essential for developing employee interpersonal skills in this service industry.

The first published study investigating the role of training and development professionals was reported in the *Training and Development Journal*. The study, known as the Pinto and Walker Study, identified 14 major roles and functions related to T&D (see Figure 1.2). Instruction was found to be one of the major areas of responsibility. Some

of the other roles identified by the activities listed in the study included needs assessment, internal and external consultation, and evaluation.

The training and development roles and functions identified in Figure 1.2 directly and indirectly involve employees within the corporation. Many of the T&D activities are instructional in nature designed to change participants' knowledge, skills, or attitudes. Most informational training sessions directly involve employees and add to their knowledge base, providing them with more efficient methods to do a job or more effective methods to relate to others. The T&D activities help change participants in a positive direction and also often impact productivity and corporate profit. Training and development is an HRD activity of major importance to the corporation.

Organizational Development

The purpose of Organizational Development (OD) is to alter the environment within the firm to assist people in performing more productively (Digman, 1979). An OD program is designed to increase organizational effectiveness and health through planned interventions using behavioral science knowledge. Human resources development often includes OD techniques involving change in the entire organization. Some common OD techniques involving the development of human resources include team building, management by objectives, and job enrichment.

Employee Assistance Programs

The Employee Assistance Program (EAP) movement has gained substantial momentum during the past two decades. EAPs have also undergone tremendous change since the time when they were initially organized as a means to assist the worker suffering from alcoholism. Today, EAPs use a multidisciplinary approach in reaching and helping the worker whose job performance suffers as a result of a variety of personal problems. EAP activities are concerned with the development of human resources. They often involve counseling for alcohol and drug abuse, career planning, marriage and family, stress, and other related mental health areas. Problems in these areas adversely affect the worker's physical and mental health, employee productivity, and corporate profit.

Approximately 2,000 EAPs were established in American business firms between 1972 and 1978. By 1985 the *EAP Digest* estimated 7,500 EAPs were operating in the United States (Ford & McLaughin, 1981). Akerlund (1986) estimates 8,000-10,000 in

1986. The major reason for the tremendous growth of EAPs is the realization of economic and social benefits of rehabilitating previously proven and trained employees rather than discharging them. EAP costs are justified by the savings of not having to hire and train new and unproven employees as current employees are lost because of personal difficulties.

EAP activities are in large part direct service, involving human resource development. It has been suggested that these services will increase in future years and become more preventive and integrative in nature. This key HRD component has the potential for reaching throughout the organization, affecting employees at every level.

Career Development

Career Development (CD) is also a key component of human resource development. Career development generally involves the assessment of individual skills, interests, and attitudes; the appraisal of the work environment; and the application of a decision making strategy in determining and developing career programs and practices. Within the corporate setting, career development is defined as a deliberate process for the following (Storey, 1978):

- Becoming aware of self, opportunities, constraints, choices and consequences.
- Identifying career-related goals.
- Programming of work, education, and related developmental experiences.

Career development is a pervasive HRD component. All members of the organization, managers, and employees are active participants in a corporate career development program. Figure 1.3 indicates the responsibilities of each participating component. An extremely important ingredient of an effective program is that career development is viewed as a part of corporate management. Communicating this philosophy to the entire workforce is also essential to an effective CD program. As indicated by Figure 1.3, managers inform, provide feedback, provide information, teach, support and assist. The manager is placed in a helping role facilitating career development. Again referring to Figure 1.3, it is evident that the employee's role in CD is not passive in nature. He or she is actively responsible throughout the process.

Walker and Gutteridge (1979) found little evidence that companies typically were implementing a total system of career planning. Yet, the consensus is that the most

effective CD programs include such a system that is integrated throughout the organization. A total system has the following characteristics:

- Support of top management.
- Involvement of top management, managers and employees.
- Continual needs assessment.
- Specialized training for CD implementers.
- Clear policies and procedures.
- Career enrichment programs.
- Individual career counseling activities.
- Career group activities.
- Clear corporate projection.
- Horizontal as well as vertical career projection.
- Contact and a close working relationship with educational settings, training centers, and other community agencies that can assist in the CD process.
- Built-in methods of evaluation.

Programs characterized in this way will have an excellent opportunity for success and long-term maintenance within the organization. These programs utilize a systems approach rather than being piecemeal in nature. The key element relating to the success of this type of program is management's level of commitment, awareness, and skills related to human resource development.

Performance Appraisal

Performance appraisal is the process of evaluating an individual's work performance. Performance appraisal is also referred to as performance rating, employee performance review, personnel appraisal, performance evaluation, employee evaluation, and merit rating. Performance appraisal involves a review of human resources, determining performance levels and making plans for performance development. In order to assure that a firm's human resources are properly developed, a systematic appraisal method is needed. This is a difficult challenge, as indicated by James H. Kennedy, editor and publisher of *Consultant News* magazine, who stated that "finding a workable appraisal system seems like a search for the Holy Grail ("The Rating Game," 1978, p. 1). It is important that managers involved with performance appraisal understand human and organizational behavior.

Some organizations attempt to assess employee potential and determine individual and organizational needs as a part of the appraisal process. Other firms have opted to utilize assessment centers for these purposes.

HRD and Traditional Personnel Functions

As mentioned earlier, human resource development is a rapidly changing field which virtually defies definition. Some experts in the field maintain that HRD includes the traditional responsibilities of personnel administration and more (Strauss & Castino, 1981). Regardless of one's view, HRD is related to all areas of an organization, especially what has traditionally been labeled "personnel." It is not feasible to perform HRD functions in isolation. For this reason, an HRD practitioner must be particularly knowledgeable about functions which impact the firm's human resources, regardless of how they are classified or their location in the firm. These traditional human resources functions include consultation, human resources planning, compensation, employee relations, recruitment, and employee outplacement.

Consultation

Consultation is an important activity related to the development of human resources. Consultation involves listening, responding and providing direction to individual workers, groups of workers, managers and to other corporate decision makers. Individuals working in the area of consultation have skills in human behavior that can provide insights into corporate problems and human resource management. HRD consultation is proactive, providing management with support and direction in developing HRD programs and activities.

Human Resource Planning

Human resource planning involves assessing the need for and planning HRD related programs and activities. Extensive planning is needed if viable HRD programs and activities are to be developed at the corporate level. Over a year's time, many HRD programs are reviewed which may or may not benefit employees. Some programs benefit employees only and have an unclear effect upon the company's productivity and profit but disrupt employee morale. Well-designed programs take into account both the short term

and long range potential impact upon employees, as well as company productivity and profit. As an aid to program development, comprehensive programs are conducted. HRD programs involve both informal and formal needs assessment activities and are a continuous process in HRD planning.

Compensation

Compensation consists of rewards which an individual receives in return for performing organizational tasks. Compensation practices affect employee morale and eventually worker productivity. The development and implementation of varied compensation packages is a difficult and tedious task. HRD approaches go beyond the traditional compensation programs involving money rewards, medical packages, and paid holidays. Although these compensation programs are important and necessary, other methods of compensation are explored as means of developing human resources. Figure 1.4 identifies the traditional and HRD compensation approaches that are external to the work tasks and functions. Again, one should not misinterpret the importance of traditional compensation programs. For the vast number of employees, these might be the most important factors. Yet, for many other employees factors beyond the traditional compensation programs have become increasingly attractive. Personal health, career development, education, and the family are highly valued in today's society. Therefore, compensations that respond to these values can be very effective.

Employee Relations

Employee relations focuses on the adjustments among workers, between workers and managers, and between workers and their work situations. In most corporations one will find some departments experiencing discord among employees or between management and staff. These problems involve human relations and affect the welfare of the employee, as well as company profit and overall productivity.

Many of the problems of employee relations involve poor or ineffective communication. Other problems relate to the manager's style, or the lack of opportunity to advance one's career. Specific HRD programs impacting these areas include communication skill building, problem solving, decision making, stress management and job burnout.

Recruitment

Recruitment involves the process of encouraging people to make application for employment with a firm and seeking to employ the best applicant for a particular job. Employees today are becoming more concerned with whether or not the company cares about them and their future. The potential employee inquires about employment possibilities and makes a decision about the corporation's commitment to developing its human resources.

From the company's point of view, it is important that top quality employees apply for job vacancies. The manager often needs assistance in recruiting procedures in order to attract the right person for the job. Being able to cite HRD programs and activities supported by top management makes recruitment much easier. Failure in this area leads to increased recruitment costs and a potentially high corporate turnover.

An effective recruitment program also helps ensure the implementation of a hiring process that is nondiscriminatory in nature. The cost and time involved in lawsuits due to alleged discrimination in recruitment procedures is phenomenal. Examples of human resource development activities related to recruitment include:

- Informing managers of current governmental regulations and policies regarding fair hiring practices.
- Assisting managers in designing recruitment programs that fit with openings available and with fair hiring practices.
- Assisting managers in evaluating their recruitment procedures based upon employees selected and long-range productivity and turnover.
- Informing and involving managers of HRD programs and practices that benefit employees.

Employee Outplacement

Outplacement consists of a service that assists terminated employees in finding appropriate employment elsewhere. This important activity involves the development of those human resources that will no longer be with the company. Skill and experience in handling difficult and often desperate situations are necessary. Job termination can be devastating both mentally and physically to the employee. The terminated employee goes through anguish, fear, and often depression. As an HRD related activity, employee outplacement personnel help the individual work through difficult times by listening,

supporting, and counseling. In order to be productive in the future, terminated employees need to work through problems related to their termination and prepare themselves for other productive positions. This is not an easy task since loss of a job can be just as devastating as loss of a friend, relative, or even a spouse for many individuals. In fact, many individuals who lose their job go through the grieving stages related to the loss of a loved one. Figure 1.5 provides an illustration of the relationship. When working with someone in outplacement, it is helpful to recognize the progressive stages and assist the client through this difficult period. In fact, the worker most often needs to deal with these emotions before being able to move ahead. Outplacement as an HRD function can be extremely beneficial in helping employees regain strength and future productivity.

As indicated in the preceding discussion, traditional personnel functions are vital and legitimate concerns of human resource development. Activities within these component areas have expanded and evolved in nature. They are the HRD approaches used by many corporations. Yet, these components should not be considered inclusive in nature. Each corporation, depending upon size, philosophy, objectives, and other external and internal environmental factors will vary in the emphasis given to each HRD component. The responsibility for carrying out the activities within each area will also vary from company to company. Therefore, it is important to clearly identify HRD programs and activities. To assist in this process, the classification system described in the next section in advocated.

Classifying HRD Programs and Activities

Human resource development has been defined as consisting of programs and activities, direct and indirect, instructional and/or individual, that positively affect the development of the individual and the productivity and profit of the organization (Smith, 1984). A variety of HRD programs and activities, including career counseling, substance abuse counseling, and personnel counseling are conducted within the HRD component areas. In order to understand and identify the myriad of programs and activities, the classification system outlined in Figure 1.6 is recommended.

The first step in using this system is to identify the HRD program by title. Determining whether the HRD program deals with its constituents on a direct face-to-face basis or whether it is indirect in nature is the second step. Some programs can be classified as both direct and indirect due to the variety of activities conducted. A comprehensive career development program, for example, may provide direct one-to-one career counseling

for employees. At the same time, it may be involved in conducting an ongoing needs assessment program relating to future career opportunities. Both activities are considered essential to a well-constructed career development program. The same program in career development may be instructional in nature by teaching employees new job related skills. The program may also be individual in nature through its one-on-one career counseling efforts. The positive effects of HRD related programs and practices are also a part of the HRD classification process illustrated in Figure 1.6. Anticipated or demonstrated changes are identified as related to employee gains or benefits to actual HRD users. Using career development as an example, positive user effects might be: "Employees will be able to identify *three* career paths available to them within the organization." This objective can be beneficial since the employee's knowledge is increased, and further crystallization regarding his or her future within the corporation is established.

The final item in the classification system focuses upon benefits to the organization. This bottom line item is important if HRD programs and activities are to be initiated, expanded or maintained. Career development programs can increase employee output and overall production as workers become aware that the company cares about them and is interested in their future. Such programs could eventually reduce turnover in divisions where employees see expansion and future promotional possibilities.

This system of identifying programs and activities is one method to assist managers, employees, and others to understand human resource development. Also, new HRD programs can be sold more effectively via such a straightforward classification system.

The Revolution, Growth and Professionalization of HRD

One of the major changes in business within recent years has been the amount of time and effort managers spend in determining the best ways to utilize, train, and develop their human resources. Technology, especially the utilization of computers, has received major attention by corporate leaders. In order to be competitive, the corporate executive finds himself or herself implementing the latest, most efficient technology.

Corporate executives also are concerned with human technology. *Human technology*, defined as advanced methods used to develop and utilize humans on the job, has fallen behind the technological evolution in some cases. Corporate leaders have begun to realize the importance of developing the company's human resources if technological advances are to be effectively utilized. As the corporate executive becomes more

knowledgeable about human resources, he or she quickly learns that the HRD field has become increasingly complex and sophisticated. Human resource development programs now deal with labor shortages, a great employee "entitlement" attitude, an older work force with no mandatory retirement age, increasing governmental activities, and changing values of workers. We have seen, and continue to witness, a major revolution in human resource development.

To meet the increasing demands for executives and specialists to mange the HRD function, HRD related positions were predicted to increase to 450,000 by 1985, up from 405,000 in 1980, and only 52,000 in 1950 (Klinger, 1979). These predictions have come true with 34,000 new positions to be added between 1984-1995. The direction and growth of training and HRD activities is viewed as having a favorable impact upon society as well as benefiting the corporation. The American Society for Training and Development has identified some of the reasons for employer-provided education programs mainly concerned with the development of human resources. As indicated by Figure 1.7, many corporations have seen the inadequacies of traditional education. Changes in the economy and society in general are also viewed as factors influencing HRD's growth. Furthermore, workers expect training and see it as part of the company package. They expect fair opportunities for advancement. Technological change has greatly contributed to increased employee education programs. In order to be competitive, companies have increased their technological capacity and in turn have had to train their employees. In addition to the above, Figure 1.7 indicates corporate geography as a reason for employer-provided education. Some companies just do not have HRD or T&D resources available in their geographic area. Therefore, the sole responsibility for programs must be in-house. Of course, governmental regulations concerning equal opportunity for employment and promotion have served as one of the key motivators for many companies implementing HRD programs.

The extent of employer training is illustrated in Figures 1.8 and 1.9. Major corporations including Xerox and Chase Manhattan Bank have made tremendous investments in the training and development areas. The phenomenal training program by the Bell System is illustrated by its expenditure of $1.7 billion and the employment of a 13,000-15,000 training support staff. While some firms are more committed to the development of human resources than others, it seems clear that HRD activities are increasing at the corporate level.

Growth within the profession is evidenced by the expansion of the two associations most closely aligned with human resource development: The American Society for Training and Development (ASTD) and the American Society for Personnel Administration (ASPA). Membership increases in both ASTD and ASPA have been phenomenal over the past decade with each of the groups having well over 25,000 members. Participation at annual professional conventions has increased each year.

An indication of ASTD's professional involvement is its incorporation of the following professional committees: Professional Development Committee, HRD Careers Committee, Institutes Committee, Chapter Services Committee, and Research Committee. More recently, ASTD has sponsored professional conferences for colleges and universities having or planning curricula to prepare practitioners in human resource development. The Invitational Conferences on Academic Preparation of HRD Professionals were designed to help develop professional curricula for future HRD practitioners.

Activities of the American Society for Personnel Administration over the past ten years have also been highly significant. Of major importance has been the development of the Personnel Accreditation Institute. This organization was created for the purpose of administering an accreditation program which recognizes personnel professionals. Testing programs are available for generalists in the field and for those in six specialty areas.

HRD's Placement within the Organization

Human resource development is primarily concerned with the development of employee potential. HRD is therefore viewed as a pervasive approach with programs involving managers and employees at all levels of the company. The question often asked is "Who is involved in HRD?" The answer is *everyone*. The question of who implements HRD is more difficult to answer as company practices vary. In many corporations, the HRD activity reports to the Personnel Director. In others, the Personnel Director's title has been changed to VP for Personnel and Human Resources or VP for Human Resource Development. Regardless of its placement, it should be recognized that a comprehensive HRD program will systematically affect all aspects of the company.

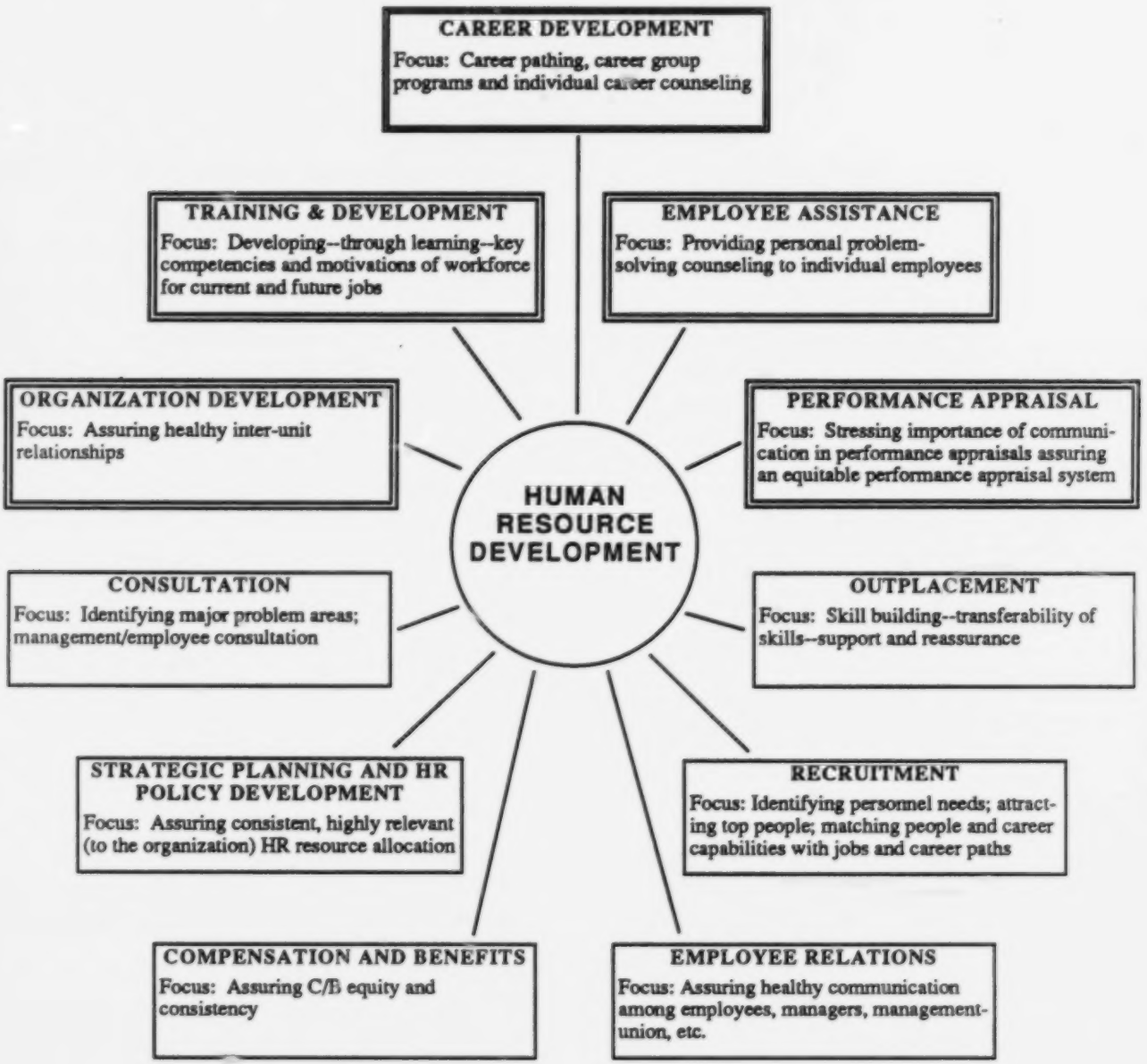
Organizational charts shown in Figures 1.10, 1.11 and 1.12 illustrate typical placements of HRD related components in firms of various sizes. The benefit of reviewing a corporation's organizational chart is that it can help one determine a point of entry into human resource development activities within the company.

Figure 1.10 shows an organizational chart of a large international corporation. Human resources development is directed through a number of divisions reporting to a Director of Human Resources and Administration. The individual divisions deal with employment development, compensation, retirement planning, employee relations, and health/safety. Key HRD components including training and development and human resource planning report to a Manager of Employment and Development.

In Figure 1.11, the Director of Human Resources is responsible for the key components of HRD in this large corporation. The key HRD components are Training and Development, Organizational Development, Career Planning and Employee Assistance Programs. All of these activities report to the Director of HRD. Not shown on this chart is the Vice President of Employee Relations to whom the Director of Human Resources reports. The VP of Employee Relations reports directly to the Corporate President (CEO).

Figure 1.12 reveals the placement of HRD in a medium-sized U.S. firm. A key HRD component area, Training and Development, reports to the Personnel Manager who in this case reports directly to the President. Many factors will determine where HRD components are placed within the corporate structure. Purpose of corporation, corporate size, history and growth are some factors influencing component placement.

Figure 1.1 Human Resource Development Component Areas


CAREER DEVELOPMENT
Focus: Career pathing, career group programs and individual career counseling
TRAINING & DEVELOPMENT
Focus: Developing--through learning--key competencies and motivations of workforce for current and future jobs
EMPLOYEE ASSISTANCE
Focus: Providing personal problem-solving counseling to individual employees
ORGANIZATION DEVELOPMENT
Focus: Assuring healthy inter-unit relationships
PERFORMANCE APPRAISAL
Focus: Stressing importance of communication in performance appraisals assuring an equitable performance appraisal system
HUMAN RESOURCE DEVELOPMENT
CONSULTATION
Focus: Identifying major problem areas; management/employee consultation
OUTPLACEMENT
Focus: Skill building--transferability of skills--support and reassurance
STRATEGIC PLANNING AND HR POLICY DEVELOPMENT
Focus: Assuring consistent, highly relevant (to the organization) HR resource allocation
RECRUITMENT
Focus: Identifying personnel needs; attracting top people; matching people and career capabilities with jobs and career paths
COMPENSATION AND BENEFITS
Focus: Assuring C/B equity and consistency
EMPLOYEE RELATIONS
Focus: Assuring healthy communication among employees, managers, management-union, etc.

Source: Adapted from Pat McLagan, McLagan and Associates, Minneapolis, Minnesota, 1981.

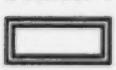
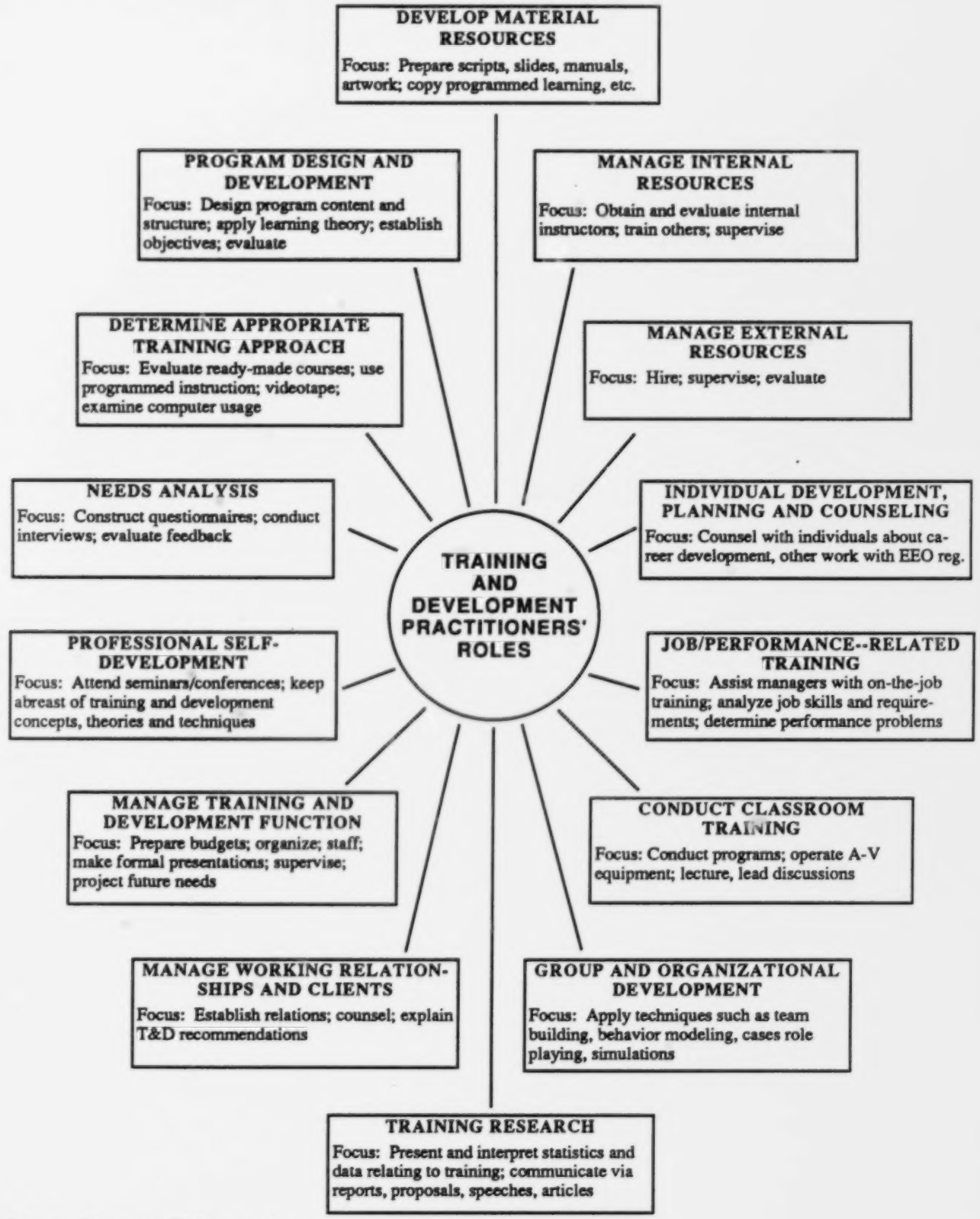
 indicates key HRD functions.

Figure 1.2 Training and Development Practitioners' Roles


DEVELOP MATERIAL RESOURCES
Focus: Prepare scripts, slides, manuals, artwork; copy programmed learning, etc.
PROGRAM DESIGN AND DEVELOPMENT
Focus: Design program content and structure; apply learning theory; establish objectives; evaluate
MANAGE INTERNAL RESOURCES
Focus: Obtain and evaluate internal instructors; train others; supervise
DETERMINE APPROPRIATE TRAINING APPROACH
Focus: Evaluate ready-made courses; use programmed instruction; videotape; examine computer usage
MANAGE EXTERNAL RESOURCES
Focus: Hire; supervise; evaluate
NEEDS ANALYSIS
Focus: Construct questionnaires; conduct interviews; evaluate feedback
INDIVIDUAL DEVELOPMENT, PLANNING AND COUNSELING
Focus: Counsel with individuals about career development, other work with EEO reg.
TRAINING AND DEVELOPMENT PRACTITIONERS' ROLES
PROFESSIONAL SELF-DEVELOPMENT
Focus: Attend seminars/conferences; keep abreast of training and development concepts, theories and techniques
JOB/PERFORMANCE--RELATED TRAINING
Focus: Assist managers with on-the-job training; analyze job skills and requirements; determine performance problems
MANAGE TRAINING AND DEVELOPMENT FUNCTION
Focus: Prepare budgets; organize; staff; make formal presentations; supervise; project future needs
CONDUCT CLASSROOM TRAINING
Focus: Conduct programs; operate A-V equipment; lecture, lead discussions
MANAGE WORKING RELATIONSHIPS AND CLIENTS
Focus: Establish relations; counsel; explain T&D recommendations
GROUP AND ORGANIZATIONAL DEVELOPMENT
Focus: Apply techniques such as team building, behavior modeling, cases role playing, simulations
TRAINING RESEARCH
Focus: Present and interpret statistics and data relating to training; communicate via reports, proposals, speeches, articles

Source: Pinto and Walker study.

Figure 1.3 Career Development Responsibilities

Organizational Responsibilities	Managerial Responsibilities	Employee Responsibilities
• Viewing of CD as a necessary part of corporate management • Preparing career paths at all levels • Maintaining a complete job posting system • Training managers to conduct CD discussion groups • Making tests available for CD assessment • Communicating a CD philosophy • Rewarding managers for CD activities • Providing CD opportunities	• Informing employees of opportunities within the organization • Providing performance related feedback • Providing information regarding the organization reward system • Teaching employees how to manage their own career • Assisting employees on how to make up action plans regarding CD • Supporting employees' action plans	• Assuming responsibility for one's own career development • Determining personal ability, interest values, strengths in relation to CD • Becoming acquainted with the organization and opportunities within it • Viewing CD as a long-term practice going beyond the next promotion • Pursuing activities related to one's CD

Source: Adopted from Zanger, John, "Career Planning: Coming from the Cold," *Training and Development Journal*, July, 1981.

Figure 1.4 Traditional and HRD Compensation Approaches

Traditional Compensation Approaches	HRD Compensation Approaches
Increase in salary	Health profiling
Time and a half pay for overtime	Education plans for worker, spouse, and children
Increased medical/health insurance	Career counseling
Retirement plans	Family planning
Life insurance	Financial planning
Stock options	Legal consultation

Figure 1.5 Coping Mechanism of Death and Dying Patients as Related to Job Loss

Crief Stages	Death and Dying Typical Statements	Job Typical Statements
Denial and Isolation	"Not, not me, it cannot be true."	"This is not happening to me."
	"The x-rays are mixed up."	"There is some mistake."
	"The doctor is wrong."	"I can't believe it."
		"I'll just continue going to the office."
Anger	"Why me?"	"You won't get away with this."
	"Why couldn't it be him?"	"I'll get you back—this is unfair."
	"Don't count me dead yet, you . . ."	"You're wrong."
Bargaining	"Just give me a few good months."	"The only circumstances under which I'll go along with it are . . ."
Depression	"It's hopeless."	"I'm not going to succeed."
	"There's no sense in living like this."	"I've lost out."
	"What's the use."	"I can't compete anymore."
Acceptance	"Everything possible has been done."	"This happens, where do I go from here?"
	"I'll make the best of it."	"There's no sense in looking back."
		"Let's use this time wisely in preparing for other jobs."

Figure 1.6 HRD Classification System

One way to identify and examine Human Resource Development Programs and activities is to use the following criteria.

Human Resource Development

Program/Activity: _____

Direct/Indirect: (Does it deal directly with the manager, supervisor, employee or is change effected by indirect means?)

_____

_____

_____

Instructional and/or individual: (Is the program or activity of an instructional [educational] nature involving one or many individuals at a time, or is it of an individual nature?)

_____

_____

_____

Positive effect on the development of the individual: (What change is expected to take place on the part of the participant[s]?)

_____

_____

_____

Productivity and profit of the organization: (How will the HRD program/activity affect the productivity and profit of the organization?)

_____

_____

_____

_____

_____

Figure 1.7

REASONS FOR EMPLOYER-PROVIDED EDUCATION

Inadequacies of traditional education

Economic and social change affecting the workplace

Governmental regulations

Upward mobility for employees

Technological change

Proprietary interests

- Special product knowledge
- Competitive edge

Lack of alternative resources

- Relevance
- Geography

Source: *ASTD*, 1981.

Figure 1.8

EXTENT OF EMPLOYER TRAINING

Xerox—2% of gross revenue (1980)

Chase Manhattan—$900 plus per U.S. employee (1978)

Federal employee training—34.2 million hours (1978)

Lloyds Bank California—$1,000 plus per employee (1980)

Figure 1.9

BELL SYSTEM TRAINING—1980

Expenditure of $1.7 billions

12,000 courses

1,300 training locations

20-30,000 employees per day

13-15,000 training support staff

For training of 1/2 hour or more in length for the 1 million management and non-management employees.

Source: *ASTD National Report*, June 26, 1980.

Figure 1.10 HRD in a Large International Corporation

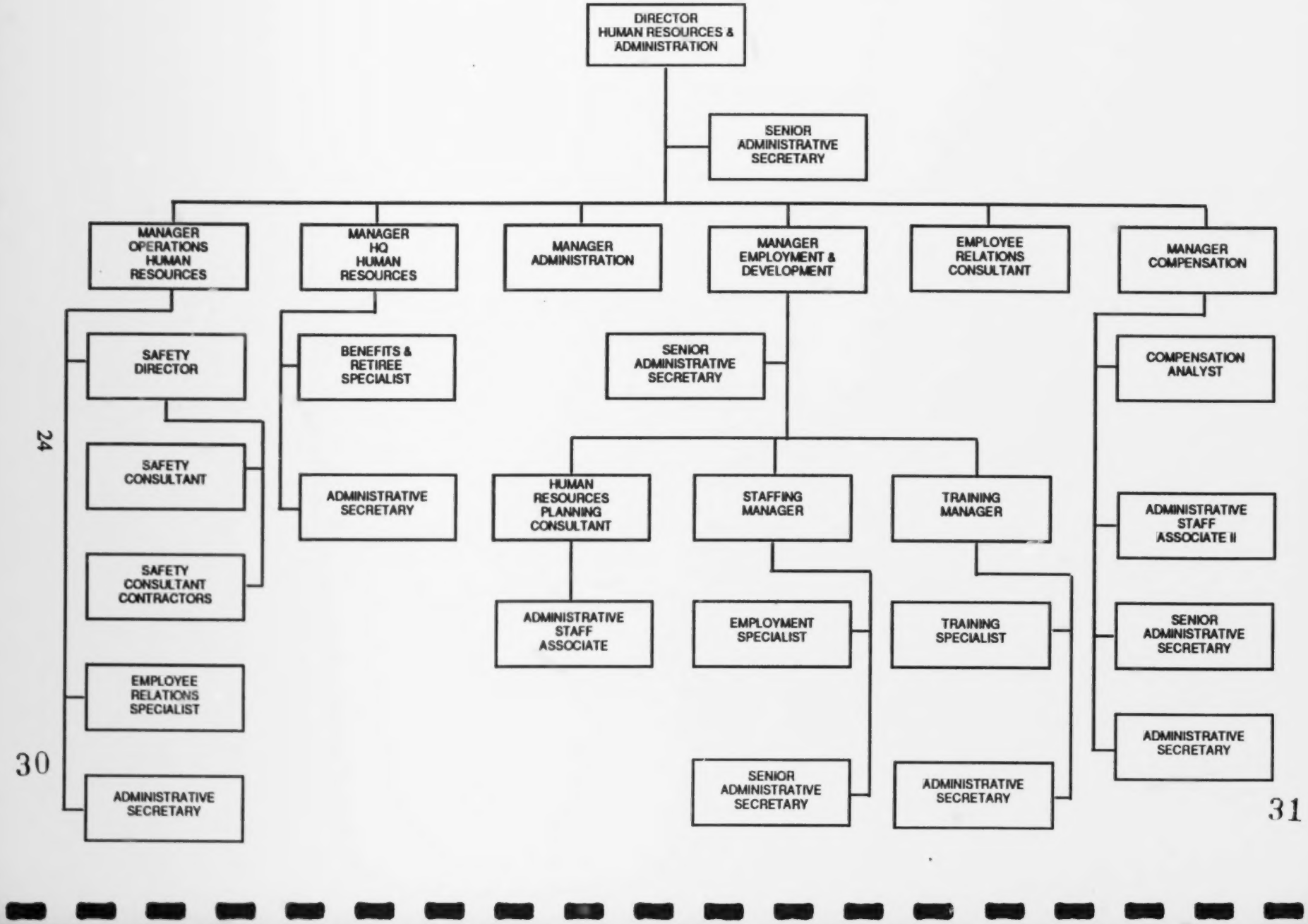


Figure 1.11 HRD in a Large National Corporation

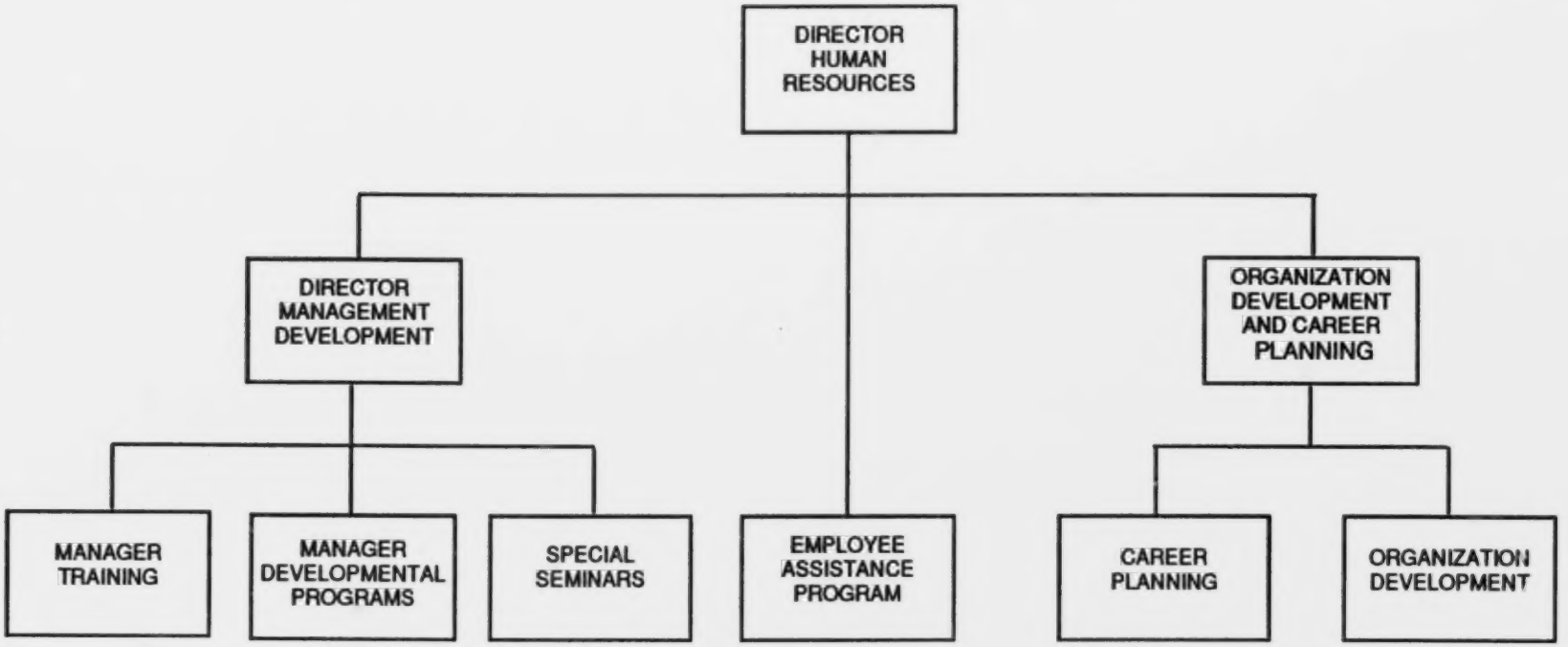
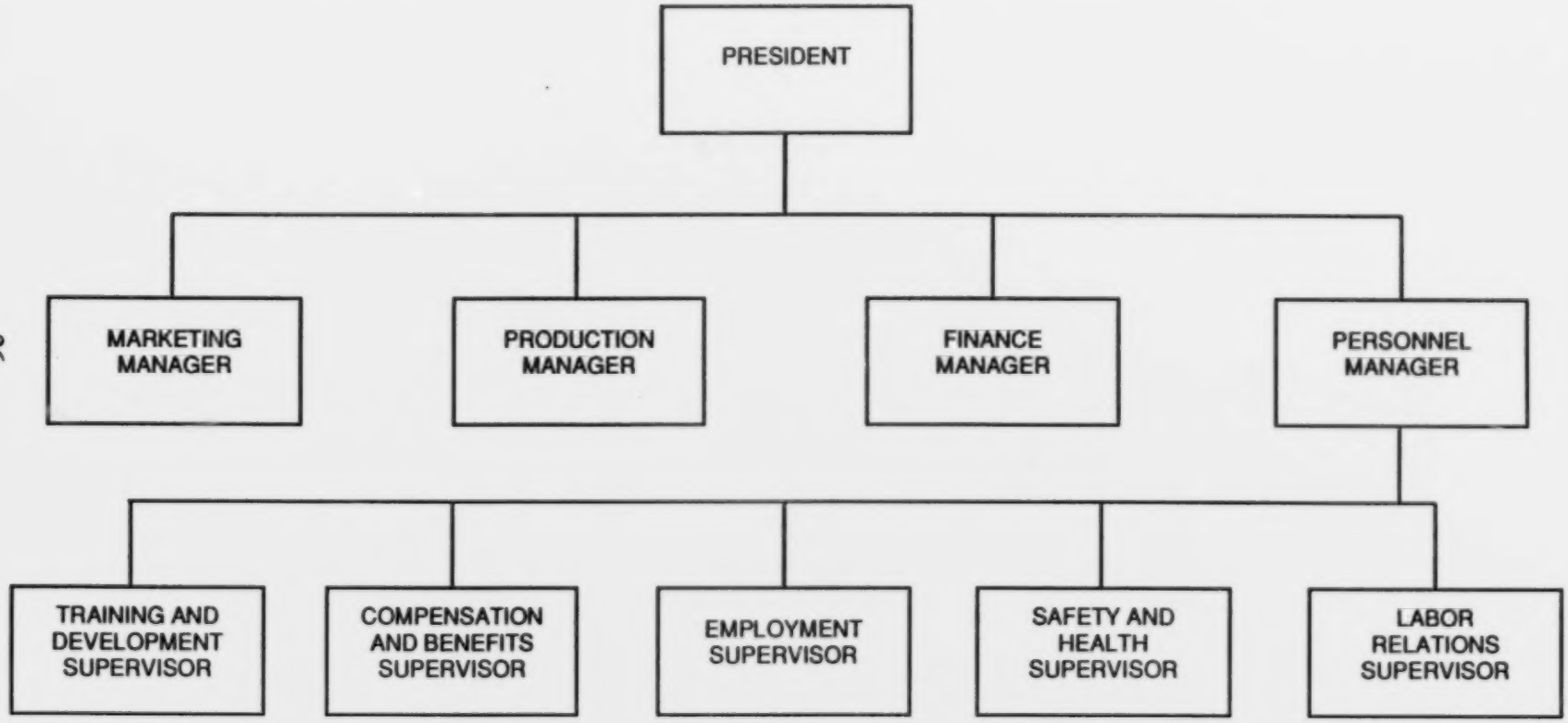


Figure 1.12 HRD in a Medium-Sized U.S. Firm



CHAPTER 2

THE EXTERNAL ENVIRONMENT OF HRD

> Steve Watson, a young new training specialist for Maze Corporation, was disturbed as he entered the office of Betty Gonzales, the vice president of human resource development. The conversation began by Betty saying, "Steve, I have had some complaints from some managers regarding your selection procedures for identifying managers to attend the new strategic planning seminar. Apparently none of the older managers were on the list." Steve's immediate reply was, "We need new blood in this organization. Those older people don't think as good as younger ones and. . . ." Steve's conversation was cut short by Betty who said, "Haven't you ever heard of the Age Discrimination Act? If age is the only reason for eliminating people I would suggest that you revise that list. Not only is it wrong, it is illegal."

Steve has just been confronted with one of the many external environmental factors—government legislation—that can affect the job of an HRD specialist. Steve must be made aware of the many legal implications that impact his work. In fact, there are many external and internal environmental factors that HRD and T&D professionals need to consider. The purpose of this chapter is to identify the numerous factors, both external and internal, that can affect the HRD professional and to describe how specific external factors influence the role of HRD.

The Environment of HRD

As John Donne said, "No man is an island, entire of itself; every man is a piece of the continent, a part of the main." This statement certainly is appropriate to HRD workers. The involvement and growth of HRD are affected by many factors, both external and internal.

As illustrated in Figure 2.1, the external environment is comprised of factors from outside the organizational boundaries. These are factors that the HRD professional must accept since little if anything can be done to alter them. Predominant but certainly not all-inclusive external factors include: changing work values, government regulations, customer expectations, changing technology, competition, economic conditions, unions,

corporate image, and the labor market. Because of recent alterations in some of these areas, the need for HRD has been rapidly expanding. For example, changing work values have forced some firms drastically to revamp their motivational approach with workers. Taken together, all of these factors affect the future shape and direction of HRD programs.

Again in reference to Figure 2.1, the internal environment can also affect HRD. Although HRD can have little effect upon external factors, internal factors can be impacted by HRD. The internal environmental factors are as follows: corporate objectives, corporate policies, philosophical differences of organizational members, organizational climate, leadership style, motivational approaches, and communication.

Changing Work Values

One of the dominant questions faced by managers in the 1980s has been how to revamp incentives to match the changing needs of workers. Old work values no longer prevail to the degree they formerly did. Some consequences of the old value system were:

- If women could afford to stay home and not work at a paid job, they did so.
- As long as a job provided a man with a decent living and some degree of economic security, he would put up with many drawbacks.
- The incentive systems of money and status rewards were the motivators for most people.
- Loyalty to the organization was instrumental in tying people to their jobs.
- Personal identity was in large part gained through work role (Yankelovich, 1978).

These work values have in large part evolved and changed. Managers in the 1980s are therefore faced with a new set of work values that can be summarized by:

- Both men and women working and pursuing vocations due to economic conditions of increased costs and inflation.
- Women pursuing careers and viewing work outside of the home similar to that of her male counterpart.
- Dual career families evolving with both adults placing a high value upon their career.
- The insistence that jobs become less depersonalized and that more than lip service be paid to the managerial quote, "Our people are our greatest resource."

- The expectation for the job to provide more than money as a reward for work, i.e., to meet the other needs and values held by the individual.

The above examples suggest that the individual's view of work has changed drastically since the time when Samuel Gompers, first president of the AFL, stated that basically workers want more from their job—meaning more money and benefits. Psychological needs, growth opportunities, and a greater sense of work control now have greater value. A survey from *Psychology Today* found that self-growth was rated as most important, including opportunities to develop one's skills and abilities (Renwick, 1978). The data suggested that people had a level of compensation that they felt needed to be met. Fringe benefits were not ranked high on the respondents' listings of what they value in relation to work. The change in work values has corresponded to a change in work ethic. Work ethic is seen as representing the ideal of the dominant economic character of society (*Personnel Management: Policies and Practices*, 1981). The development of America was based largely on the work ethic, the belief that hard work will be rewarded. The entire work ethic has become more diversified. In fact, some managers see shoddy workmanship as evidence that the old work ethic is disappearing. Many other reasons have been suggested as to why the change in work ethic. One reason given for this change is the pervasiveness of dead end jobs. People in these positions often develop a "shut in" feeling and are said to compromise work quality. Related to the opportunity for advancement on the job is the changing attitude of workers toward "upward mobility." For example, an AT&T study found that many of today's managers don't want to be the boss and they don't want to be bossed (*Personnel Management: Policies and Practices*, 1981). The traditional work ethic has greatly expanded into a "personal ethic." The personal ethic of the worker focuses on his or her rights as a human being on the job. Characteristics of this ethic include an adventurousness, a desire for life-long learning, flexibility, and equality of opportunity. These developments related to work ethic have great impact upon the nature of HRD and T&D programs.

The above changes point to the need for organizations to pay more attention to employees' changing needs and values as a method to reduce turnover and absenteeism. Sophisticated training and open recruitment are methods used to deal with the changing work values and work ethic.

Governmental Regulations

Since the early 1960s we have experienced an increased number of governmental regulations affecting corporate policy and the worklife of the employee. During the 1970s a number of court cases surfaced which affect every spectrum of human resource development. Court cases concerning employee selection, promotion, and termination have become major concerns for corporations.

Figure 2.2 identifies the major governmental regulations impacting HRD. Of these the following three laws have had a major impact upon training and development programs incorporated in companies across the country:

- The Occupational Safety and Health Act of 1970 (OSHA)
- The Federal Mine Safety Act of 1977
- Title VII of the Civil Rights Act of 1964 as amended by the Equal Employment Opportunity Act of 1972 (Sonnenstuhl, 1980).

The above regulations are viewed as a major boom to the need for developing training programs. The Occupational Safety and Health Act of 1970 provides job safety and health protection for workers through the promotion of safe and healthful working conditions throughout the nation. Requirements of the Act are included in Figure 2.2. As a response to OSHA, U.S. Borax renewed its commitment to training. Corporations similar to U.S. Borax have viewed training programs as necessary because of health and safety standard compliance. The HRD professional is expected to assist in developing and implementing safety-training programs (Pathie & Laboe, 1979).

The Mine Safety and Health Act of 1977 has called for a setting that satisfies requirements of safety in all aspects of the employee's job. HRD professionals have been asked to (1) satisfy requirements of the regulations that create a potential compliance headache for management, and (2) design methods to avoid situations which the regulations address (Renwick, 1978).

The Equal Employment Opportunity Act of 1972, viewed as a major external factor affecting HRD, includes:

- Private employees of 15 or more persons.
- Private and public educational institutions.
- State and local government.
- Public and private employment agencies.

- Labor unions.
- Joint labor-management communities for apprenticeship and training.

EEOC's enforcement activities involve investigating job discrimination complaints from job applicants and current employees. Where conciliation is not possible, legal action often becomes necessary. In many cases proactive training programs can help alleviate these situations by educating managers of equal employment and equal opportunity principles. Specific programs to help recruit quality applicants from minority groups have also been implemented. The following three companies are examples of corporations that have set up affirmative action programs:

- The Household Finance Corp. Trains female and minority employees to help them move in jobs in which they were previously not represented.
- Libby-Owens Ford. Has a training program to help women move to better jobs, as well as a program to recruit top quality females.
- American Telephone and Telegraph. Has developed a program to assist in promoting top quality female workers (Pathie & Laboe, 1979).

Figure 2.2 identifies additional legal regulations impacting HRD. The Equal Pay Act of 1963 amended in 1972 made it illegal to discriminate in pay on the basis of sex where jobs require equal skill, effort and responsibility, and are performed under similar working conditions. The Civil Rights Act of 1964 as amended by the Equal Employment Opportunity Act of 1972 prohibits discrimination in employment based on race, color, sex, religion or national origin. The Age Discrimination in Employment Act of 1967 as amended in 1978 prohibits employers from discriminating against individuals between the ages of forty and seventy. The Vocational Rehabilitation Act of 1973 prohibits discrimination against physically and mentally handicapped workers who are employed by organizations with government contracts of $2,500 or more. The Act has been broadened to include alcoholics and drug addicts as handicapped workers. The Employees Retirement Income Security Act (ERISA) of 1974 protects the interests of participants and their beneficiaries in employee benefit plans. The Federal Privacy Act of 1974 is designed to protect the privacy of individuals by restricting access to files containing personal information. The Pregnancy Discrimination Act of 1978 prohibits discrimination in employment based on pregnancy, childbirth, or complications arising from either.

Court Decision Examples. Governmental regulations and laws have already impacted training and development programs being implemented in corporate settings. As

an example, several court decisions relative to age limitations set by a number of training programs in industrial and governmental settings are being challenged. In one such case, U.S. vs. Steamfitters, Local 638 (1973), the defendants operated an apprenticeship training program that was open to those applicants who were between the ages of 18 and 24. The court found that the age limitation operated to exclude from the apprenticeship program non-whites who were presently too old to apply (Gordon, 1978). In a similar case, EEOC Decision No. 75-047 (1974), it was determined that the age standard set by a large manufacturing firm had an adverse impact upon blacks seeking to enter apprenticeship programs.

Courts have in the past objected to the age requirement most frequently when it related to other discriminatory practices such as race. This seems to be changing; age is likely to be the sole factor in cases involving discriminatory practices.

The above examples indicate the effect of governmental regulations on HRD and T&D. Effective training programs not only can help the corporation avoid unnecessary litigation but over the years they can assist in building a stronger and more diversified company. They can assist in developing a corporation that responds to employment needs in a positive manner that can also result in a positive public image. Of course, governmental regulations can be curbed or accelerated by Presidential views and administrative policies, as in the early 1980s. Yet, despite such changes, employees expect corporations to operate according to the fair treatment philosophy of previously existing regulations.

Customer Expectations

Due to competition and customer sophistication corporations find it necessary to determine customer needs and expectations. Customer expectations refer to what the user expects from the company in terms of a particular product or service. There is a trend toward intelligent consumerism. Figure 2.3 indicates what the customer expects today. If friendly service, quality products, follow-through by the company, proper maintenance, flexible payment plans, and flexible hours are not available, today's customer will purchase desired products and services when they are available. Human resource development activities and training programs are necessary in order to help workers in their efforts to meet the customer's expectation. Well-designed programs can help keep employees up to date concerning their products and teach interpersonal skills that reflect a "people" or

customer oriented attitude resulting in greater customer use of and profit for the organization.

Technological Change

Today's managers are faced not only with work value changes, but also with major technological changes that affect the entire corporation. Technological change is moving at an accelerated rate impacting all aspects of work. As technological change occurs, methods of completing tasks change. The worker's role begins to change. HRD and T&D programs are greatly affected by this external environmental factor.

Automation. U.S. industry is beginning to automate at a pace that will soon change the face of American factories and offices (*Special Report*, 1981). Gains in productivity are expected as a result of computer-controlled systems of robots and other sophisticated machines. Corporate spending on minicomputers, numerical controls, and programmable controllers is phenomenal. The move toward greater automation is reaching the small manufacturer, as well as the big auto, aircraft, and heavy-equipment company. The need to train and re-train individuals to effectively utilize automation will in large part rest with HRD and T&D.

Effects upon People. The predicted effects that technology will have upon people is staggering. It is predicted that altogether, more than 45 million American jobs will be affected during the next 20 years (*Special Report*, 1981). This includes a radical restructuring of work often involving painful adjustments for workers involved. The changes will require employees to train and re-train a huge number of workers. Attitudes toward change itself will have to be dealt with by corporate management. Employees accustomed to doing the same job, the same way, will have to be handled carefully to avoid frustration, excessive fear, or even job walkouts. The fear of automation displacing some workers will need to be confronted, along with the notion that some workers may soon become babysitters for sophisticated equipment. It has been suggested that workers go through several attitude changes toward automated equipment, ranging from skepticism to eventually wanting to try it out. The organizational climate has to be supportive in order to encourage employees during this early try out stage. Training programs involving employees in job areas affected by automation are necessary if the response to human needs is going to progress as rapidly as the technology itself.

Competition

Competition is an important external environmental factor affecting the organization and the functioning of HRD. In order to grow, and in many cases survive, corporations need to compete in the area of technology. Companies that are not keeping pace with the new technology will die by the wayside (*Special Report*, 1981). Similarly, those companies that are not competitive in relation to human services efforts will suffer in terms of recruitment of new employees, as well as profitability. Banks are examples of businesses that compete in the area of customer services. The better the relationship between the customer and employee, the better the business. Corporations of this type gain the edge over their competition by training employees to use the best service approaches. Corporations with sophisticated and proactive HRD and T&D programs may over a long period of time greatly out distance their competition.

Economic Conditions

The economic condition of the country is rarely static. There are upswings and downswings in the economy. These cycles often have a profound effect upon the organization and, in particular, the HRD function.

When the economy is in an upturn, the employment rate drops and more people may be recruited and ultimately hired. Because less qualified workers have been employed, a T&D program will likely be needed to upgrade these individuals to be fully competent workers. On the other hand, when the unemployment rate is high, the number of unsolicited applicants is usually greater and the increased size of the labor pool provides better opportunity for attracting applicants who are already qualified. If training is needed, it may take place on a more limited or advanced level.

The HRD function itself can also be affected by economic conditions. In the past, when economic conditions are on an upswing, personnel activities, T&D activities, and the general HRD function have expanded. When economic conditions are depressed and firms are forced to tighten their belts, many of these programs have often been the first to be eliminated. The condition perhaps exists because many of the HRD activities are often difficult to measure in terms of immediate profitability. For instance, management may rationalize by saying, "Why do I need to have a drug abuse program when I can get as many workers as I need? If someone gives us any trouble, fire them." Management's

thinking may be, "We can spare HRD activities and possibly start them again when times get better."

The fallacy of this thinking is that times often do not get better. In some cases the very programs that are cut are the ones that are needed the most to keep the company afloat. When such programs are cut prior to considering their long-term effectiveness, the corporation's initial investment is also lost. When programs are dropped that deal with the human resources within the company, such as career development and substance abuse, employees begin to view management as only providing lip service to human needs. Economic conditions can greatly affect HRD's growth and its very existence. Economic conditions can also destroy a company.

Unions

Unions consist of workers who have joined together in an attempt to better their work situation. Union members are employed by the firm. However, the union itself is a third party with an organizational structure external to the company. The objectives of the union may be in conflict with the firm thereby making the task of the HRD professional a difficult one.

Unions would like management to base worker-related decisions primarily on seniority. If a position comes open, the individual with the greatest seniority would have the first chance. This in itself places a constraint upon the HRD professional as programs are developed and implemented.

In addition, some managers view an HRD program as helping to keep the lid on the unions. By incorporating activities that help develop the employee, some managers believe that the union will become less active. When this attitude prevails and becomes known throughout the organization, most HRD efforts fail. The genuine interest in the employee is no longer present. Workers feel manipulated even if they take advantage of HRD programs. In such instances, HRD obtains little support from either management or labor.

Corporate Image

The firm's corporate image can have an indirect impact upon the activities of the HRD function. If the firm's employees believe that management deals with them in a fair manner, the recruitment process can be effective. Positive word-of-mouth advertising can

help the recruitment activity of the firm, and highly qualified applicants can be selected. Thus, training efforts of new employees may be minimized.

On the other hand, if the firm does not have a good public image and does not have a reputation as being a good place to work, recruitment efforts may be stymied. Less qualified applicants may apply and those selected may have to undergo intensive training to become productive workers. If it turns out that the firm does not have a good work environment, a high turnover may result. The firm will constantly be training new workers only to find them quitting the firm to go to a competitor once they have become fully qualified.

The Labor Market

The number and characteristics of individuals in the labor force is another major external factor. With the rapid change in technology, the constant upgrading and retraining of individuals to become qualified employees becomes a particularly crucial problem. Also, as this new work force enters the organization, they can impact what is expected from HRD. A major problem that exists is that the nature of the labor market may be quite different in the future. The 1990s will see approximately 119 million persons in the civilian labor force (*Special Report*, 1981). This estimate represents an 18.5 percent increase over the 1978 figure of 87.5 million. At the same time the labor force was predicted to grow more slowly between 1985 and 1990 because of a drop in the number of young people entering the workforce and a less rapid growth of the participation rate for women. However, the figures do not tell the entire story because labor force composition is also changing. While the participation rate for men continues to decline, the participation rate for women is rising. Women are moving into traditionally male-dominated jobs such as computer sales, public accounting, and management in ever increasing numbers. In addition, members of minority groups are gaining increased acceptance in responsible jobs.

The industries that will be capable of absorbing these additional employees will also likely be different from those of today. This change has already begun as job opportunities increase in service industries such as health care, trade, repair and maintenance, government, transportation, banking, and insurance. The goods-producing industries such as agriculture, construction, mining, and manufacturing are expected to remain relatively stable in terms of employment. The 1990s will see employment in the service industries

expanding by 30 percent over 1978 figures. In goods-producing industries, employment is projected to increase by only 13 percent (*Special Report*, 1981).

The number of white collar workers is also expected to increase through 1990 while the number of blue collar workers should remain relatively stable. Farm workers are expected to continue their decline in the 1990s.

HRD and the External Environment

Human resource development and training and development professionals need to be cognizant of the external factors affecting their work within the corporation. Based upon changing work values it must be realized that the carrot-and-stick approach will no longer be sufficient. If top quality workers are to be recruited by the corporation, the corporation must respond to their values. Orientation programs directed by HRD professionals will need to focus on promotion, flexibility with the job, creative recognition, leisure time, and other areas of concern to today's employees. Blind loyalty is no longer present with new employees, nor should it be expected by management. Company loyalty is still possible, but it has to be earned by the corporation through its HRD activities. For example, a commitment to and a belief in the philosophy undergirding governmental regulations needs to be evidenced. HRD activities organized only to go around or prevent litigation related to governmental regulations dealing with hiring, promotion, safety, etc. are easily identified as such by employees. Efforts on the part of management to use HRD in order to create programs of equality that are in the best interest of both the employer and the employee quickly gain the respect and loyalty of workers. Figure 2.4 provides sample HRD programs that are responsive to external environmental factors described in this chapter.

Often, informative training programs covering EEOC regulations and OSHA requirements are all that are needed to help managers recognize ineffective or unfair policies. Communication and attitudinal seminars conducted through training and development often correct potentially volatile situations between management and company employees.

HRD can play a major role in coping with the external environmental factor of technological change. Corporations involved with products or services that, because of their nature, are greatly affected by technology will need to conduct regular training programs to update employees. In these cases most of the T&D efforts will be of a technical nature. If changes within the corporation are threatening to employees, then

training sessions dealing with the issues of change will need to be conducted by T&D in order to avoid turnover or resistance to change by fearful employees.

Due to the HRD professional's expertise in working with individuals and groups, he or she should be involved with management/labor problems. Communication skills are often crucial in such instances. In such cases, the HRD specialist can clarify and help each group to understand the other's needs and views. HRD professionals should not be constantly caught in arbitration proceedings, but they can lend support to each group in a direct and positive manner, stated in terms of what is best for both the employees and the corporation.

Due to the many external environmental factors affecting the corporation, HRD's role becomes expansive and almost infinite. The effective HRD professional must be able to design programs and activities that involve both management and employees in meeting the challenges presented by the external environment.

Figure 2.1 The Environment of Human Resource Development

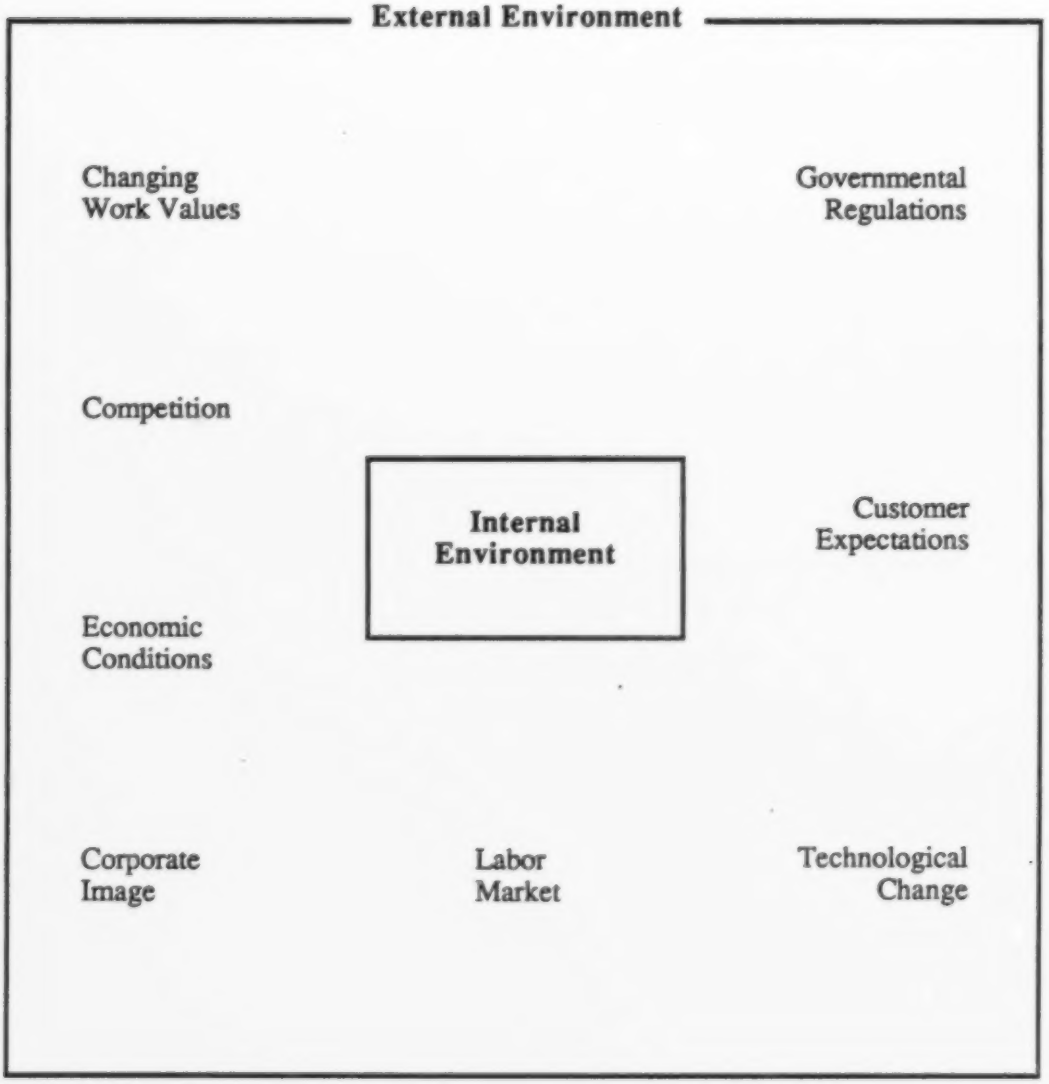


Figure 2.2 Federal Laws Affecting Human Resource Development

Major Federal Legislation	Functional Areas					
	Employment, Placement and Personnel Planning	Training and Development	Compensation	Health and Safety	Employee and Labor Relations	Personnel Research
Equal Pay Act		X	X			X
Civil Rights Act of 1964 as amended	X	X	X	X	X	X
Age Discrimination in Employment Act	X	X	X	X	X	X
Vocational Rehabilitation Act	X	X	X	X	X	X
Occupational Safety and Health Act		X		X		X
Equal Employment Opportunity Act	X	X	X	X	X	X
Employees Retirement Income Security Act		X	X			X
Federal Privacy Act	X	X				
Pregnancy Discrimination Act	X	X	X	X	X	X
Federal Mine Safety Act of 1977	X	X		X		

Figure 2.3 Customer Expectations

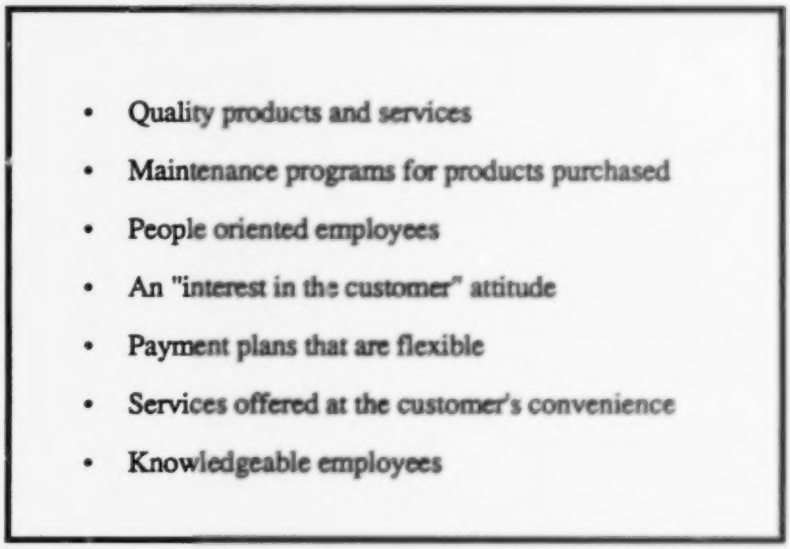

• Quality products and services
• Maintenance programs for products purchased
• People oriented employees
• An "interest in the customer" attitude
• Payment plans that are flexible
• Services offered at the customer's convenience
• Knowledgeable employees

Figure 2.4 The External Environment and HRD Activities

The External Environment	Sample HRD Programs and Activities
• Changing Work Values	• Recruitment Programs • Employee Orientation • Flex Time
• Governmental Regulations	• Informational Programs • Hiring Practices Seminars • Performance Appraisal Seminars

• Technological Change	• Technical Training Programs
	• Informational Training Programs
	  • About Change Itself
	  • About New Technology

• Unions	• Communication Seminars • Arbitration Fairness Programs
• Economic Climate	• Training Programs on Long Range Effectiveness of HRD

CHAPTER 3

THE ORGANIZATIONAL CLIMATE OF HRD

Organizations, institutions, and agencies can be characterized as possessing a certain climate. For some organizations this climate may be characterized as being open, flexible and adapting. For other organizations, the climate is characterized by secrecy, fear, and restrictiveness. However the climate is characterized, we know that it will affect the individual employee and his or her level of productivity. The organizational climate will affect the development of its human resources including the implementation and growth of human resource development programs and practices.

Definition

Webster defines climate as the following: (1) the prevailing or average weather conditions of a place, as determined by the temperature and meteorological changes over a period of years; (2) any prevailing conditions affecting life, activity, etc.; and (3) a region considered with reference to the kind of weather prevailing there. In the context of this monograph we are interested in the second definition. The organizational climate consists of the prevailing conditions within the organization that affect the life of employees (work and personal life) and the activities within the organization. HRD activities are certainly affected by the organizational climate.

Some of the characteristics of the climate within an organization are:

1. The climate affects all aspects of the corporation--
   - How people feel about their work.
   - How productive people are.
   - How outsiders view the company.
   - Potential growth patterns of the company.
   - Long range success of the company.
2. There is often a prevailing climate influenced by key factors--
   - Economic conditions outside and within the company.
   - The history of the organization.

- The purpose of the organization.
- The attitude and policies developed and portrayed by corporate headquarters and top executives.

3. Organizational climate can change as a result of--
   - Change in leadership.
   - Change in economic conditions.
   - Change in corporate purpose.
   - Systematic self-analysis and implementation.

From the above discussion it becomes clear that organizational climate is a very comprehensive phenomena. It is affected by many factors, and in turn it affects many facets of the corporation.

Factors that Contribute to the Organizational Climate

A multitude of factors affect the climate of an organization. Some aspects of a corporation seem almost impossible to diagnose and change, such as a prevailing evaluative attitude, a lack of cohesiveness, and mistrust among employees. Yet, upon closer examination certain factors can be identified which in most cases impact and in essence create the prevailing climate of the corporation. These common factors are identified below.

Communication of Corporate Purpose and Objectives

Thousands of employees are hired each day, often with little or no knowledge of the corporation's purpose or overall objectives. This is a mistake on the part of the company that can later prove to be detrimental to the climate of the organization. Jeffrey Davidson, a management consultant with IBM Corporation, cites several reasons why it is vital that employees understand company objectives (Davidson, 1981).

Encourages Cooperation. When employees sense they are striving for a common objective a degree of cooperation develops. In order for this to happen, employees must be familiar with the corporate objectives.

Promotion of a Team Spirit. Differences between divisions are reduced when overall company objectives are kept in mind. Divisions that previously may have been competing

find it easier to work together as a team when overall corporation objectives are acknowledged and regularly considered.

Clarifies Relationship with Management. A climate of mistrust too often develops when management's role is not clear or is misunderstood. Employees who are unaware of corporate objectives often may not understand or might even misperceive the manager's role and his or her activities.

Increase in Employee Involvement. A commonly acknowledged rule of human behavior is that when people are provided a role in setting objectives, their participation increases. If company objectives are clearly understood by employees, one would also expect increased participation.

An organizational climate that encourages cooperation and promotes employee participation has made great strides toward developing a healthy environment.

History of the Corporation

Corporate history contributes to the prevailing organizational climate. Some corporations have developed the reputation of doing things in a certain manner or fashion. They have a history of making arbitrary decisions, using biased hiring practices, producing inferior products, terminating outspoken employees, and resisting change. Corporations with this kind of history usually do not stay in existence for a very long time. People who have been working within an organization for many years can usually relate to the corporation's history. They can often provide insight into the informal and formal rules of the company. They can usually predict what will and will not work in the area of human resource development based upon past experiences. They are often valuable contacts for human resource development professionals.

Corporate Size and Growth

Corporate size and growth are contributing factors to the organization's prevailing climate. Small corporations often produce a close knit family climate, characterized by togetherness, loyalty, and commitment. Although some large corporations have this same quality, many employees feel less of a cohesiveness in the megacorporate structure. As a company grows a cohesiveness often develops within divisions or an individual department rather than throughout the company itself. As the company grows the organizational climate changes. A steady, stable growth pattern often produces a positive climate,

whereas a no-growth pattern or decline has the opposite effect upon employees and the overall organization.

Corporate Leaders and Leadership Styles

The CEO of a corporation is often the architect for the organizational climate. The top executive's attitude, decisions about hiring, personal biases, energy level, warmth, perceived trust level, respect, and leadership are often the most significant factors in determining the climate created throughout the company. Generally, a healthy organizational climate has its beginnings at the top. There are exceptions to this as when a minimum level of communication and contact takes place between top management and employees.

Leadership style is defined as the approach or approaches used to influence or change the behavior of others in order to accomplish organizational, individual, or personal goals (Huse & Bowditch, 1973). A large number of theories have been advocated relating to leadership style. In place of a comprehensive review of these theories, the following discussion briefly explains three broad categories (Kossen, 1978). The effects of each of these categories on organizational climate is self-evident.

- Autocratic Style
  Leaders using this style take full responsibility for decisions within the company. There is often a great amount of structure present when using this style as workers are expected to do what they are told. When worker suggestions are made, it is made clear that all final decisions come from top management. In many cases suggestions are not encouraged.

- Participative Style
  Leaders using the participative style encourage individual employees with recognized expertise to take part in the decision-making process. The leader encourages active participation, but does not necessarily extricate himself or herself from the decision-making process or from making the final decision.

- Laissez-faire Leadership Style
  Leaders using this style are less involved with group or organizational functions. They serve as liaisons between the group, assuming that resources necessary for accomplishment are present within the organization itself.

Douglas McGregor (1960) was one of the earliest theorists to discuss and write about leadership style. McGregor indicated that one's assumptions about other people determined the use of an autocratic or participative leadership style. Figure 3.1 provides a method for reviewing personal assumptions about people and work. According to McGregor's theory, a consistently high rating of items in the measure means that one possesses assumptions that would be manifested in an autocratic leadership style.

From the brief information presented above it becomes clear that top executives influence organizational climate. For a more extensive discussion of various leadership styles and managerial approaches, the reader is referred to sources in the reference list.

Corporate Communication Patterns

Communication patterns found within a corporation can be used as a barometer in determining organizational climate. Figure 3.2 focuses on four major factors influencing communication within a company. When management is not accessible, a climate of mystery and mistrust is often established. One-way communication limits input and reduces participation and eventual involvement of employees. Positive communication will in many cases increase loyalty and involvement. If employees feel they can communicate verbally, as well as through written messages, an open climate can be established within the organization.

The above factors contribute to the organization's climate. The assessment of the overall climate and these factors is conducted via formal and informal methods.

Assessment of the Organizational Climate

Individuals implementing human resource development programs and practices realize the importance of accurately assessing the corporate climate. The accuracy of their assessment could be the most significant variable that determines whether HRD programs succeed or fail. As humans we assess an organization most often by our "gut" reactions or a "sense" we have about the company. This is often based upon a minute but significant interaction with corporate people or some policy. This method of informal assessment is briefly examined. A model for a more systematic assessment, along with formal procedures used to assess the organizational climate, is covered in more detail.

Informal Assessment

One's first impression of the corporation is often, unfortunately, the most lasting. This is similar to what psychologists have referred to as the crucial five minutes when we meet someone for the first time. As human beings with personal experiences we characterize others based upon these experiences. For example, we may relate to someone else who looks the same or has characteristics similar to the new acquaintance. We look at one's physical appearance including hair, eyes, and body shape. We examine clothing worn by the individual and judge that person accordingly. We check out the method of response and observe interaction style. We form an impression about that person which is either positive, negative or somewhere in between. This impression may be wrong, but it is often lasting.

Not dissimilar to the above process is the formula we informally use to assess organizations and corporate structures. As described in Figure 3.3, we begin to formulate our view of a company by assessing the physical characteristics. Variables such as corporate size, building type, office space and office design are processed by the observer. Small, cramped quarters with poor working conditions certainly influence one's perception of the corporation's concern for people. We assess the interaction between employees and between supervisees and the boss. Every contact with the company, whether it is face-to-face, through the telephone, or by mail, affects our perception.

The informal assessment of a corporation continues beyond first impressions. In some cases the assessment of the company changes as a result of greater involvement and more information about the company itself. Information may provide knowledge of the company's rationale for certain policies and of a particular management style. Direct work experience within a corporation often provides the employee a chance to experience punitive rules, policies, and actions that may have been hidden during the interview or were not observable upon initial contact. One's informal assessment of the corporation and the climate may change based upon personal and environmental factors. The following assessment model should prove helpful in more accurately assessing the organizational climate of a corporation.

A Systems Assessment Model

Perhaps by following certain procedures we can systematically and more accurately assess the corporation and its organizational climate. In doing this, one could think of an

organization as a dynamic system with growth patterns and key components. External factors such as economic conditions will affect the system's growth. Internal changes by any component within the system will in turn affect other components in the system. As indicated in Figure 3.4, the first step in the model involves determining the growth stage of the organization. The next step is to examine the organizational components. The final step is to determine the interaction among the various components.

Just as individuals develop, it is believed that corporations go through various growth stages (Scanlan, 1980). Figure 3.5 reveals the various growth stages of the corporation. Stage I is characterized as the new corporation, headed by a group of people who initially invest time and energy into its growth. The motivation to succeed is high, as is individual involvement. The organizational chart is rapidly changing and nonrestrictive. Flexibility is present with an opportunity for one to utilize his or her talents and expertise. The organizational climate is usually energetic, open and positive in nature.

With the arrival of Stage II comes more structure and formality. Policies become established and rules are put into place due to increased size and greater responsibility. Coordination rather than chaos is stressed, producing an organized corporate climate. Stage III, according to Scanlan, is seen as critical. It is during this stage that a final balance needs to be maintained between the open growth climate and the more restrictive organized climate. Very often it is at this stage that the company develops excessive rules and policies that start to stifle variation and growth. The final corporate growth stage is identified as decline. When moving to this stage the corporation is on a down-turn phase. If change does not occur, as in an economic up-swing, leadership renewal, or new investments, the company may drift or lose its competitive edge. When a climate encourages the expression of ideas and stimulates diversification, a company stands a greater chance of surviving and even re-entering the previously described stages.

The second step in assessing the corporation and its organizational climate involves focusing upon the components within the corporate system. The major components include (Nadler & Tushman, 1980):

- The Organization's Purpose
  Nadler and Tushman describe this as the organization's task—or the work to be done. Tasks and functions, work patterns, work arrangements, and other specific work related tasks fall within this component. The successful accomplishment of

tasks and functions will determine the accomplishment of the organization's purpose.

- The Human Resources
  The corporation's employees are its human resources. Age, background, skill level, knowledge, attitude, and personality type are factors related to the company's human resources.

- The Formal Procedures
  Policies, rules, procedures, and practices set forth by the company are included under formal procedures. Formal procedures are often referred to as the glue that keeps things operating since they provide a structure for employees and management to follow.

- The Informal Procedures
  Every company has a set of informal procedures that operate at various levels. Informal procedures are often created as a reaction to formal policy or management style. Informal procedures play a key role in the organization's mode of operation and in determining the organizational climate.

The interaction of the corporate components is viewed as the substance that in large part creates the prevailing organizational climate. Figure 3.6 focuses upon the third step in the assessment—the interaction among the organizational components. An examination of the interaction between human resources and organization purpose is provided along with the interaction between these two facets and the corporation's formal and informal procedures. Key points to examine during this facet of the model are:

- How do individual needs relate to the organization's purpose?
- Do organizational goals and individual goals correlate?
- Are competent individuals available to perform tasks necessary to accomplish corporate goals?
- Are formal procedures facilitating in nature or do they interfere with task completion?
- Are informal procedures helpful or destructive to the organization?

The interactions examined above greatly affect the organizational climate. By identifying the components and by observing their interaction an accurate assessment of the organizational climate is possible.

In summary, the systematic assessment model includes: (1) determining the corporation's growth stage; (2) identifying key corporate components (realizing the impact each component has upon the total system); and (3) assessing the interaction of key corporate components. By following this model one can quickly learn about the corporation and its prevailing climate. A measure that can provide much of this information is presented below.

A Formal Assessment Measure

Much of the information provided by the assessment model is obtained through informal methods. Informal observation and questioning are the main methods, but there are serious criticisms regarding both of them. First, it takes a great amount of time to observe properly. Relevant situations stimulating an important interaction between employee and manager may not take place for months. When such an interaction does take place, we often know about it through word of mouth rather than by direct observation. Second, the accuracy of both observation and questioning can be questioned because of the reporter's biased point of view. What we perceive in our observations is certainly colored by our past experiences, expectations, and current status. When asking employees questions, personal bias toward the answers obtained needs to be examined. A third criticism of this method relates to sample size. One can sample only a relatively few people within a company via direct observation and questioning. Would the same information be obtained if one spoke to different employees or talked with a greater number of managers? These criticisms prevail when assessment only by direct observation and questioning is utilized.

A confidentially administered survey can obtain a great amount of information about the corporation accurately and quickly. Allen and Dyer (1980), working with Human Resources Institute (HRI), have developed what they describe as an action-oriented survey instrument, the Norms Diagnostic Index (NDI). Said to provide information about the "organizational unconscious," the authors believe it can give a good indication of overall organizational climate.

The Norms Diagnostic Index provides information about seven primary scales which relate to the prevailing organizational climate:

- Performance Facilitation
  Measures employees' perceptions of norms relating to job performance and the importance of maintaining job performance.
- Job Involvement
  Measures perceptions of goal directiveness, participation, pride, commitment and support present in the company
- Training
  Measures orientation of new employees and whether training needs are met.
- Leader-Subordinate Interaction
  Measures employees' perception of supervisor's concern for their welfare.
- Policies and Procedures
  Measures efficiency of policies and procedures, if they are effectively communicated.
- Confrontation
  Measures methods used in confrontation and how subordinates are responded to during critical times.
- Supportive Climate
  Measures the emotional support perceived to be provided by the organization. The atmosphere of cooperations is examined.

The NDI is used to gather information related to organizational climate. Measures

Organizational Climate and HRD

If human resource development is to become a reality, the organizational climate must be conducive to its implementation and growth. The organizational climate serves as HRD's internal support system. Without this support system HRD activities and programs become isolated tasks that are not systematic or meaningful to managers or subordinates. There are some key dimensions that relate to whether an organization and the organizational climate are ready to establish a systematic human resource development program.

Dimensions Relating to Corporate Readiness

The organization's commitment to the development of human resources is the first and major dimension relating to corporate readiness. A supportive CEO and top management philosophy is necessary for any HRD program. Employee motivation is the second major dimension considered important in HRD planning. Employee motivation, drive, and involvement are necessary for any successful HRD program since employees are the constituents in an HRD program. The third dimension involves policies and procedures. Management can increase employee motivation by incorporating certain policies and procedures. If this is done HRD programs can begin to take shape in a substantive manner. The fourth dimension involves Training and Development needs. The degree of technical training, managerial training and general degree of updating needs to be assessed. If a need is identified, T&D activities can serve as one of the core HRD components. The areas of employee recruitment, selection, and placement include dimensions important to HRD. If these areas are supportive in the effort to attract and develop top quality resources, other related HRD activities will survive and flourish. Career development and performance appraisal are two other dimensions considered important in the implementation of HRD programs and practices. If attempts are made by management to develop equitable performance appraisal activities, as well as to provide information about growth patterns and a knowledge of career opportunities, a supportive HRD climate most likely is in existence. The final dimension, data management, refers to the ability of the corporation to store, retrieve, and utilize positive information about the company and its human resources.

According to Mintor (1980), when the above dimensions are analyzed, corporations can often avoid jumping on the bandwagon and creating human resource planning programs before they are ready. Organizations need to assess their readiness prior to establishing systematic HRD programs.

Corporate Readiness for HRD

Figure 3.7 provides a questionnaire to aid an organization in assessing its readiness for establishing an HRD program. The dimensions discussed above are included within this questionnaire. To analyze the company's readiness, one should focus on the "no" or "uncertain answers." Influential people related to each of these items need to be identified. Some of the areas may be worthy of discussion with the appropriate managers.

If a company rates low on these dimensions, Mintor (1980) sees trouble ahead for an HRD program and discourages any implementation until issues identified have been resolved. A high readiness (see Figure 3.8) is a positive sign. Yet the HRD implementor should not assume this is stable and should develop strategies to maintain this climate.

Ideally, every corporation and organization would score well on the Human Resource Planning Readiness Questionnaire. Realistically, this will never be the case. Hopefully, this chapter has stressed the importance of organizational climate as it relates to human resource development programs and practices.

Figure 3.1 Measuring Personal Assumptions about People Related to Management Style

	Strongly Disagree (1)	Disagree (2)	Agree (3)	Strongly Agree (4)
1. Almost everyone could improve his job performance quite a bit if he really wanted to.	____	____	____	____
2. It is unrealistic to expect people to show the same enthusiasm for work as for their favorite leisure activities.	____	____	____	____
3. Even when encouraged by the boss, few people show the desire to improve themselves on the job.	____	____	____	____
4. If people are paid enough money they are not likely to worry about such intangibles as status or individual recognition.	____	____	____	____
5. Typically, when people talk about wanting more responsible jobs, they really mean they want more money.	____	____	____	____
6. Being tough with people normally gets them to do what is expected.	____	____	____	____
7. It is difficult to get employees to assume responsibility because most people do not like to make decisions on their own.	____	____	____	____
8. The best way to get people to do work is to crack down on them once in a while.	____	____	____	____
9. It weakens a man's prestige whenever he has to admit to a subordinate that the subordinate has been right and he has been wrong.	____	____	____	____

Figure 3.1 (Continued)

		Strongly Disagree (1)	Disagree (2)	Agree (3)	Strongly Agree (4)
10.	The most effective supervisor is the one who gets the results management expects regardless of the methods he uses in handling people.	____	____	____	____
11.	It is too much to expect that people will try to do a good job unless they are prodded by their boss.	____	____	____	____
12.	The boss who expects his employees to set their own standards for superior performances will probably find they do not set them very high.	____	____	____	____
13.	If people do not use much imagination and ingenuity on the job, it is probably because few people have much of either to contribute.	____	____	____	____
14.	One difficulty in asking subordinates for ideas is that their perspective is too limited for their suggestions to be of much value.	____	____	____	____
15.	It is only human nature for people to do as little work as they can get away with.	____	____	____	____

Source: McGregor, D. *The Human Side of Management*, McGraw-Hill Book Company, New York, 1960.

Figure 3.2 Factors Related to Communication Affecting Organizational Climate

- **Degree of Accessibility**

  Is top leadership accessible? Can you get an appointment with the boss? How many secretaries or gate keepers do you need to go through before seeing the top executive.

- **One-Way or Two-Way Communication**

  Do memorandums continually come from above? Is input asked for or requested? How is input utilized if it is requested?

- **Positive Communication**

  Are positive points regarding employees and the company communicated regularly? Does top leadership and management communicate only when enforcing regulations or disciplining employees?

- **Versitility of Communication**

  Are there a number of acceptable methods of communication available or does everything have to be done in memo or proposal form? Is informal communication encouraged or does the boss only accept written messages?

Figure 3.3 Informal Person and Corporate Assessment

Initial Person Assessment	Initial Corporate Assessment
Physical Appearance • large, small • facial expressions • unusual shy characteristics • neat, sloppy • hair style • clothes	Physical Appearance • large, small • type of building—old, new, modern • clean, run-down
Interaction with Others • positive, negative • sincere • intelligent, ignorant • superior, inferior • degree of warmth	Interactions • positive, negative • superficial, sincere • meaningful • delegating
Person-to-Person Interaction • positive, negative • sincere • knowledgeable, uninformed • authoritarian, democratic • caring and warmth	Person/Corporate Interaction • positive, negative • honest • informed • directing, participating • care and warmth

Figure 3.4 A Systematic Model Assessment Program

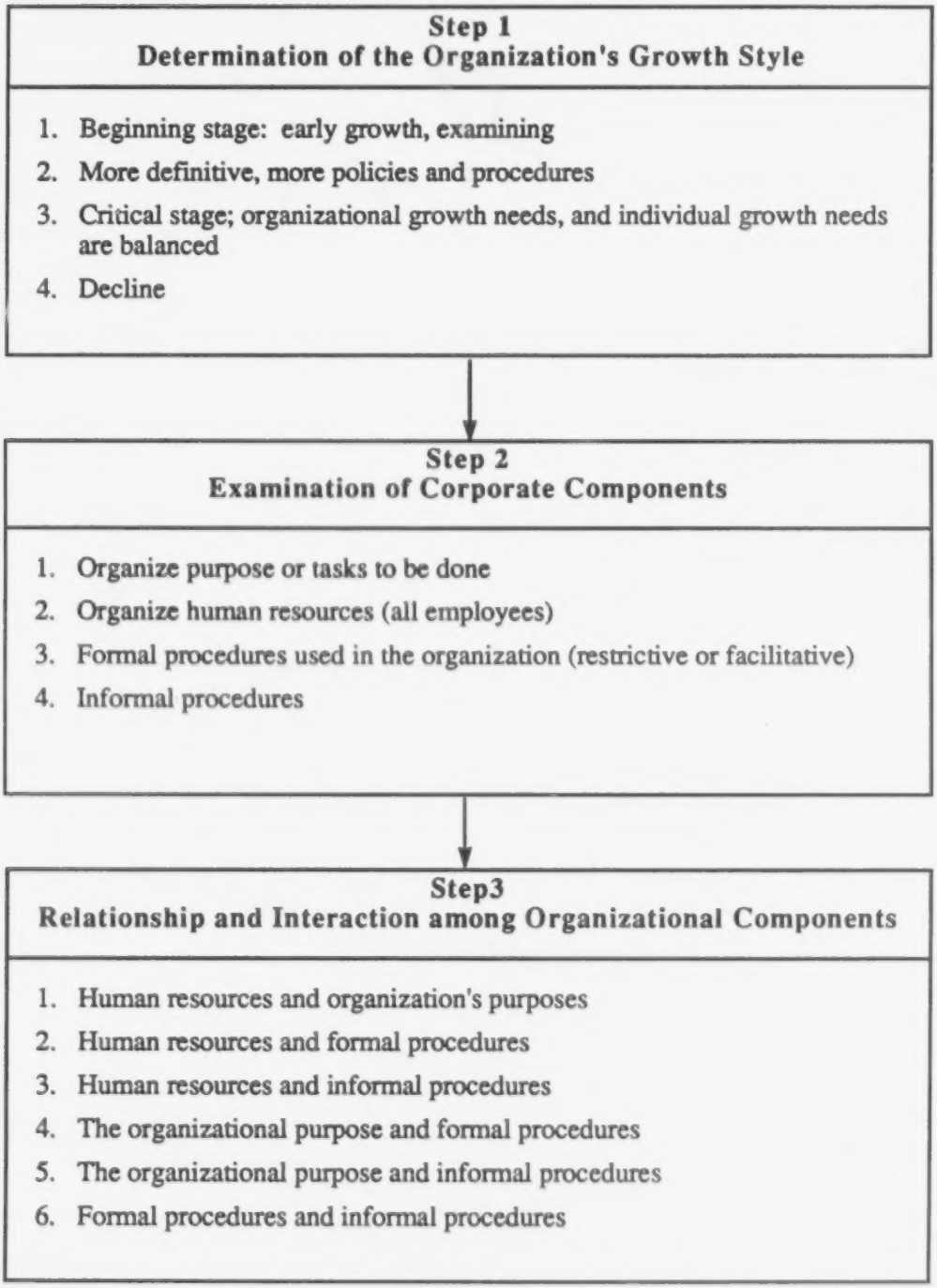
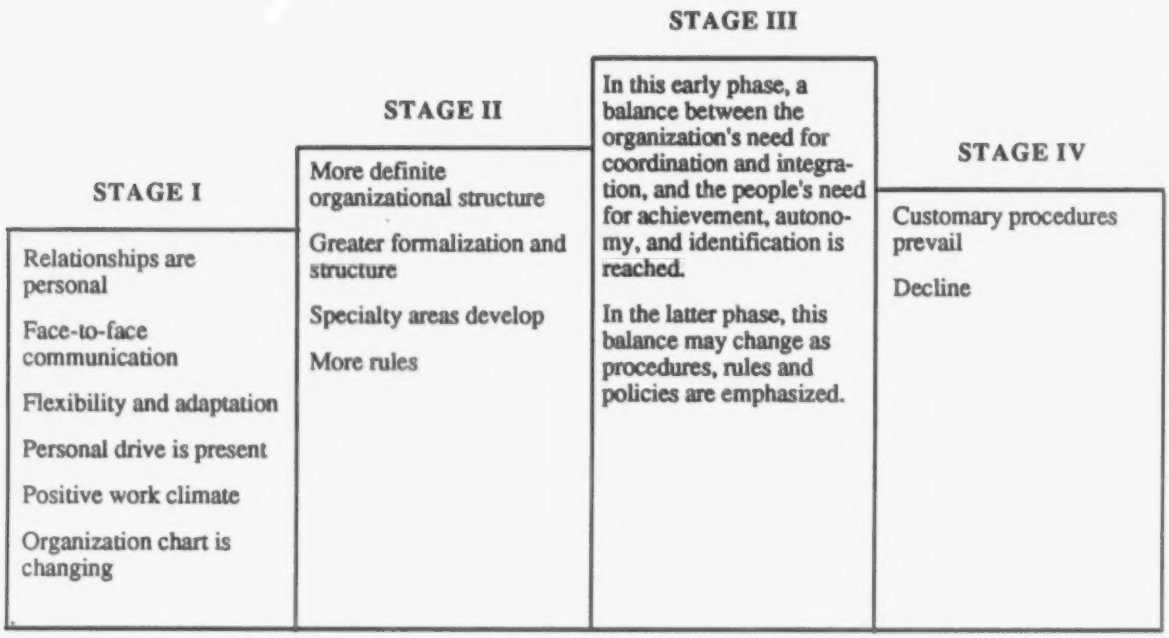

Step 1
Determination of the Organization's Growth Style
1. Beginning stage: early growth, examining
2. More definitive, more policies and procedures
3. Critical stage; organizational growth needs, and individual growth needs are balanced
4. Decline
Step 2
Examination of Corporate Components
1. Organize purpose or tasks to be done
2. Organize human resources (all employees)
3. Formal procedures used in the organization (restrictive or facilitative)
4. Informal procedures
Step3
Relationship and Interaction among Organizational Components
1. Human resources and organization's purposes
2. Human resources and formal procedures
3. Human resources and informal procedures
4. The organizational purpose and formal procedures
5. The organizational purpose and informal procedures
6. Formal procedures and informal procedures

Figure 3.5 The Organizational Life Cycle—From Birth to Decline


STAGE I
Relationships are personal
Face-to-face communication
Flexibility and adaptation
Personal drive is present
Positive work climate
Organization chart is changing
STAGE II
More definite organizational structure
Greater formalization and structure
Specialty areas develop
More rules
STAGE III
In this early phase, a balance between the organization's need for coordination and integration, and the people's need for achievement, autonomy, and identification is reached.
In the latter phase, this balance may change as procedures, rules and policies are emphasized.
STAGE IV
Customary procedures prevail
Decline

Source: Adapted from Scanlan, Burt K., "Maintaining Organizational Effectiveness—A Prescription for Good Health," *Personnel Journal*, May, 1980.

Figure 3.6 The Interaction among Organizational Components

Fit	Issues
Human Resources/Organizational Purpose	How are individual needs met by the organizational arrangements? Do individuals hold clear or distorted perceptions of organizational structures? Is there a convergence of individual and organizational goals?
Human Resources/Informal Procedures	How are individual needs met by the work? Do individuals have skills and abilities to meet work demands? How are individual needs met by the informal organization? How does the informal organization make use of individual resources consistent with informal goals?
Organizational Purpose/Informal Procedures	Does the informal organization structure facilitate task performance or not? Does it hinder or help meet the demands of the task?
Formal Procedures/Informal Procedures	Are the goals, rewards, and structures of the formal organization consistent with those of the informal organization?

Source: Adapted from Nadler and Tushman, "A Model for Diagnosing Organizational Behavior," *Organizational Dynamics*, Autumn, 1980.

Figure 3.7 Human Resource Planning Readiness Questionnaire

A. Organization Commitment:

1. Is top management willing to commit organizational resources (e.g., time, money, staff) that are necessary to develop human resource planning and development systems?

   _____ Yes _____ No _____ Uncertain

2. Will there be staff available to assist in managing the human resource planning efforts?

   _____ Yes _____ No _____ Uncertain

3. Will the organization be able to integrate the human resource planning system with the strategic planning system?

   _____ Yes _____ No _____ Uncertain

4. Will management be receptive to evaluating its personnel every year (or more) in terms of performance and potential?

   _____ Yes _____ No _____ Uncertain

5. Will employees be informed about their opportunities within the organization based on projected moves and competition among other employees for similar positions?

   _____ Yes _____ No _____ Uncertain

6. Is the organization willing to accept internal piracy of human resource talent from one department to another as a way of life?

   _____ Yes _____ No _____ Uncertain

7. Is the organization willing to devote at least two to three years to research and develop the human resource planning system?

   _____ Yes _____ No _____ Uncertain

B. Training and Development:

1. Will there be sufficient training and development opportunities in the firm for high potentials?

   _____ Yes _____ No _____ Uncertain

Figure 3.7 (Continued)

2. Will there be sufficient training and development opportunities and coaching for people who are *not* identified as high potentials?

   _____ Yes _____ No _____ Uncertain

3. Will there be a special budget allocated for the training and development of high potentials?

   _____ Yes _____ No _____ Uncertain

4. Will there be assigned staff to search out training and development needs of high potentials and coordinate training and development experiences for them?

   _____ Yes _____ No _____ Uncertain

5. Will there be sufficient support among management to provide cross training opportunities for selected personnel?

   _____ Yes _____ No _____ Uncertain

6. Will training and development needs of top management be identified?

   _____ Yes _____ No _____ Uncertain

7. Will there be staff and time available to orient managerial participants in the human resource planning system when it is established?

   _____ Yes _____ No _____ Uncertain

8. Will management be receptive to developing a training and development program for new professionals who are hired into the organization from college?

   _____ Yes _____ No _____ Uncertain

9. Will management be receptive to tracking new professionals over a period of time (e.g., three to four years)?

   _____ Yes _____ No _____ Uncertain

10. Will there be support for conducting organization-wide career planning discussions on a regularly scheduled basis with supervisors and managers?

    _____ Yes _____ No _____ Uncertain

Figure 3.7 (Continued)

11. Will there be support for conducting organization-wide career planning discussions on a regularly scheduled basis with professionals and nonsupervisory staff?

    _____ Yes _____ No _____ Uncertain

12. Is management willing to identify both short- and long-range training and development needs for its professional and managerial personnel?

    _____ Yes _____ No _____ Uncertain

13. Will management be supportive in aiding the human resource planning staff to conduct training and development needs analysis?

    _____ Yes _____ No _____ Uncertain

C. Employee Recruitment, Selection, and Placement:

1. Will there be a close relationship between the human resource planning and development administrator, and the administrator of recruitment, selection and placement?

   _____ Yes _____ No _____ Uncertain

2. Will employee recruitment objectives be linked to human resource planning recommendations?

   _____ Yes _____ No _____ Uncertain

3. Will the employment manager and the human resource planning manager report to the same supervisor?

   _____ Yes _____ No _____ Uncertain

D. Career Management:

1. Will there be sufficient vertical and lateral mobility opportunities for personnel in the next five to ten years in the organization?

   _____ Yes _____ No _____ Uncertain

2. Is management willing to identify potential successors?

   _____ Yes _____ No _____ Uncertain

Figure 3.7 (Continued)

3. Will management be willing to identify at least two to three back-ups for each key position?

   _____ Yes _____ No _____ Uncertain

4. Will management be willing to identify other career opportunities for incumbents who have not been identified as back-ups?

   _____ Yes _____ No _____ Uncertain

5. Will there be a career counseling and planning program for employees?

   _____ Yes _____ No _____ Uncertain

6. Will training be provided for management in career counseling techniques?

   _____ Yes _____ No _____ Uncertain

7. Will management be receptive to identifying and developing career paths for specific job groups?

   _____ Yes _____ No _____ Uncertain

E. Performance Assessment

1. Do you consider the organization's performance evaluation system and procedures currently being used to be effective?

   _____ Yes _____ No _____ Uncertain

2. Will management be receptive to using standardized performance evaluation procedures?

   _____ Yes _____ No _____ Uncertain

3. Will there be support from management to identify and control maverick performance evaluation systems and procedures?

   _____ Yes _____ No _____ Uncertain

4. Are performance standards established for professional positions?

   _____ Yes _____ No _____ Uncertain

5. Are performance standards established for nonsupervisory positions?

   _____ Yes _____ No _____ Uncertain

Figure 3.7 (Continued)

6. Are performance standards established for supervisory/managerial positions?

   _____ Yes _____ No _____ Uncertain

7. Are managers at all levels willing to provide sensitive performance evaluation data ratings of employees' potential to a central human resource planning group?

   _____ Yes _____ No _____ Uncertain

8. Is there a willingness among management to establish a performance objective setting and performance evaluation system that could be used with all professional and managerial levels concerned?

   _____ Yes _____ No _____ Uncertain

F. Data Management:

1. Will human resource planning data be efficiently stored, accessed, and updated using computer hardware and software?

   _____ Yes _____ No _____ Uncertain

2. Will human resource planning data be kept separate from an employee's personnel file?

   _____ Yes _____ No _____ Uncertain

3. Will there be a centralized personnel file which contains only human resource planning data?

   _____ Yes _____ No _____ Uncertain

4. Will there be support to establish and to monitor human resource data control security systems?

   _____ Yes _____ No _____ Uncertain

5. Will there be sufficient human resource staffing to monitor and process human resource data?

   _____ Yes _____ No _____ Uncertain

6. Will managers be willing to treat employee data as a corporate resource rather than as a department resource?

   _____ Yes _____ No _____ Uncertain

Figure 3.7 (Continued)

7. Will the organization permit sharing of human resource planning data with incumbents?

   _____ Yes _____ No _____ Uncertain

8. Will there be a willingness to utilize human resource planning data when making promotability decisions?

   _____ Yes _____ No _____ Uncertain

9. Is there a willingness in the organization to determine the effects of external attrition and internal human resource transfers on both a short- and long-range basis?

   _____ Yes _____ No _____ Uncertain

10. Is there a willingness in the organization for evaluating the effects of inflation and other economic variables on human resource requirements and staffing?

    _____ Yes _____ No _____ Uncertain

11. Is there a willingness to evaluate inconsistencies between human resource needs and budgeting decisions?

    _____ Yes _____ No _____ Uncertain

12. Are managers willing to provide updated information into the data pool on a current, periodic basis?

    _____ Yes _____ No _____ Uncertain

Source: Mintor, Robert L., "A System for Organizational Readiness," *Training and Development Journal*, October, 1980.

Figure 3.8 Scoring Profile and Interpretation

Scoring Profile

Give one point for every "yes" answer and subtract one point for every "no" or "uncertain" answer. Place subtotals for each dimension in the profile summary. (It is possible to end up with a negative score. An overall perfect score across all dimensions would be 50 points.)

Summary

A.	Organization Commitment	_____ (out of 7)
B.	Training and Development	_____ (out of 13)
C.	Employee Recruitment, Selection and Placement	_____ (out of 3)
D.	Career Management	_____ (out of 7)
E.	Performance Assessment	_____ (out of 8)
F.	Data Management	_____ (out of 12)
	TOTAL	_____ (out of 50)

Interpretation

45-50 Points:	High Degree of Readiness—Many of the key attitudes among management, and the processes necessary to establish an effective human resource planning and development system appear to be present in the organization.
39-44 Points:	Moderate Degree of Readiness—Only a moderate amount of the key attitudes among management and the process necessary to establish an effective human resource planning and development system seem to be present in the organization. Items that were checked "no" or "uncertain" need to be explored.
38 Points and Below:	Low Degree of Readiness—Apparently there are too many issues and policies, procedures and processes that have to be explored before your organization commits itself to a human resource planning program.

Source: Mintor, Robert L., "A System for Organizational Readiness," *Training and Development Journal*, October, 1980.

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